FREIGHT TRAFFIC ISSUE

Shippers Favor Compulsory Arbitration

December 19/26, 1960

RAILWAY AGE *weekly*

Are Your Damage Bills Too High?

What railroads are using now to help shippers trim losses...p. 17

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CNR Declares War On L&D ...p. 38

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RAILWAY AGE *weekly* December 19/26, 1960 • Vol. 149, No. 25

Week at a Glance

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REA plans TOFC trailer pool ..... p. 9

REA Leasing Corp. will come into being Jan. 1. It will acquire highway trailers and containers and operate a national piggyback trailer interchange pool.

C&O claims victory in B&O contest p.10

Over 53% of B&O's voting stock has been offered in exchange for C&O shares, according to the C&O. That figure could be reduced, if B&O shareholders exercise their option of changing their minds within the next 30 days; or it could be increased when the count is completed.

Cover Story—Shippers favor compulsory arbitration p.13

Binding arbitration of railway labor disputes before they reach the strike stage was favored 3-to-1 by respondents to this month's Traffic Poll. Many shippers said they favor compulsory arbitration because of repeated strikes and strike threats this year.

Cover Story—How railroads fight lading damage p.17

Impact-absorbing draft gears, special devices that brace lacing, and underframes for cushioning are principal weapons in the industry's campaign to trim lading losses. Here's a Railway Age Special Report on a $100-million-a-year problem.

Cover Story—CNR declares war on L&D p.38

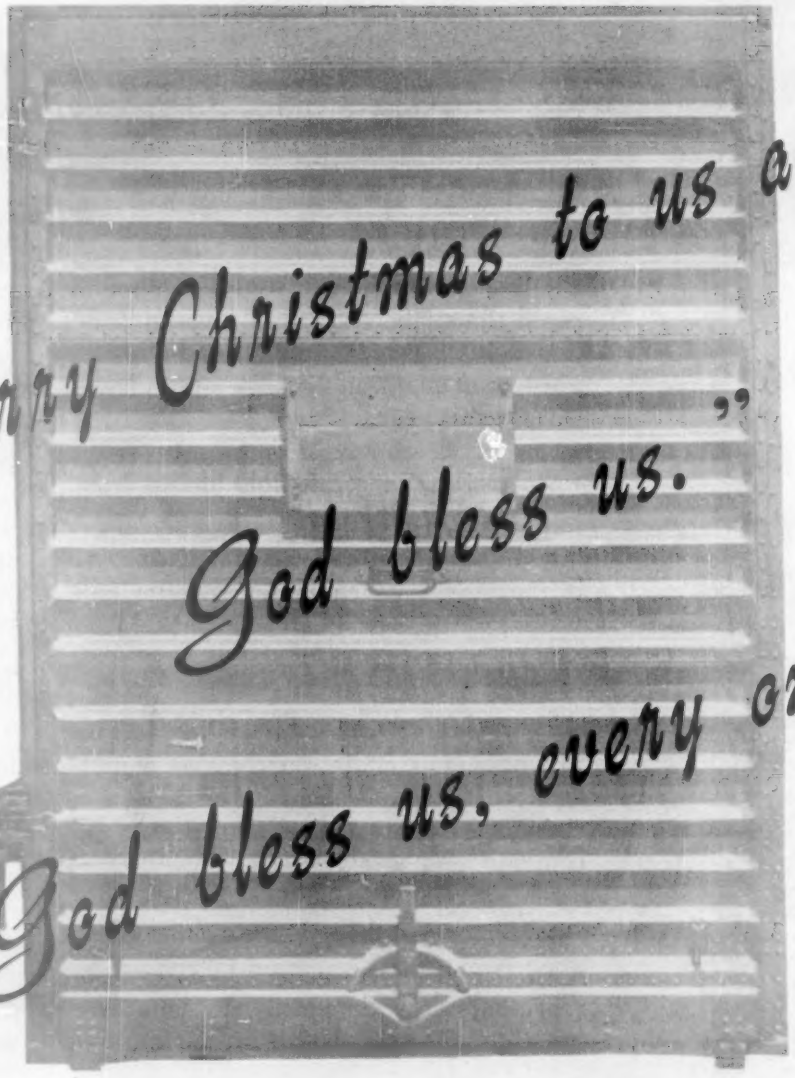
The road is using data processing equipment in what it calls an analytical approach to prevention of loss and damage claims. The approach is designed to let prevention forces concentrate their attack where it will do the most good.

Whitten outlines cost theory p.48

A C&O officer's new theory of transportation cost-finding represents a "rather complete departure from many of the concepts now held about railroad and other transport costs."

This issue of Railway Age . . .

is a two-in-one edition, a holiday-season practice initiated five years ago. The Dec. 26 issue has been combined with the Dec. 19 issue. The next Railway Age will be dated Jan. 2, 1961.



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Week at a Glance

Current Statistics

Operating revenues	
10 mos., 1960	$8,026,250,454
10 mos., 1959	8,198,581,085
Operating expenses	
10 mos., 1960	6,348,307,408
10 mos., 1959	6,432,869,535
Taxes	
10 mos., 1960	869,191,013
10 mos., 1959	879,973,498
Net railway operating income	
10 mos., 1960	502,732,957
10 mos., 1959	614,921,615
Net income estimated	
10 mos., 1960	358,000,000
10 mos., 1959	443,000,000
Carloadings, revenue freight	
48 wks., 1960	28,561,573
48 wks., 1959	28,803,605
Freight cars on order	
Nov. 1, 1960	22,900
Nov. 1, 1959	36,199
Freight cars delivered	
10 mos., 1960	48,316
10 mos., 1959	32,063

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The Action Page—What formula for rates? p.54

Railroad rates are slowly being revised to conform to present competitive conditions in the transportation market. Revision would come quickly if the three parties—railroads, customers and regulators—could see eye to eye on the pattern to be followed.

Short and Significant

Railroads will continue to pay 3¾% . . .

of taxable payroll into the Railroad Unemployment Insurance Account in 1961. Under the law, the present maximum rate must be levied when the account balance is below $300 million. On Sept. 30, the fund showed a deficit of $105.4 million and was being financed temporarily through loans from the Railroad Retirement Account.

Federal-government guarantee . . .

of a $5,000,000 loan to the Lehigh Valley has been approved by the ICC. Proceeds will be used to reimburse the road's treasury for capital expenditures made since Jan. 1, 1957.

Increase of $5,000,000 in net income . . .

of Class I railroads is estimated by the AAR for October. The estimate puts the October net at $55,000,000 compared with $50,000,000 in October 1959. For this year's first ten months, the estimate shows net income of $358,000,000 compared with $443,000,000 in 1959's first ten months.

Santa Fe's 44-mile line change in Arizona . . .

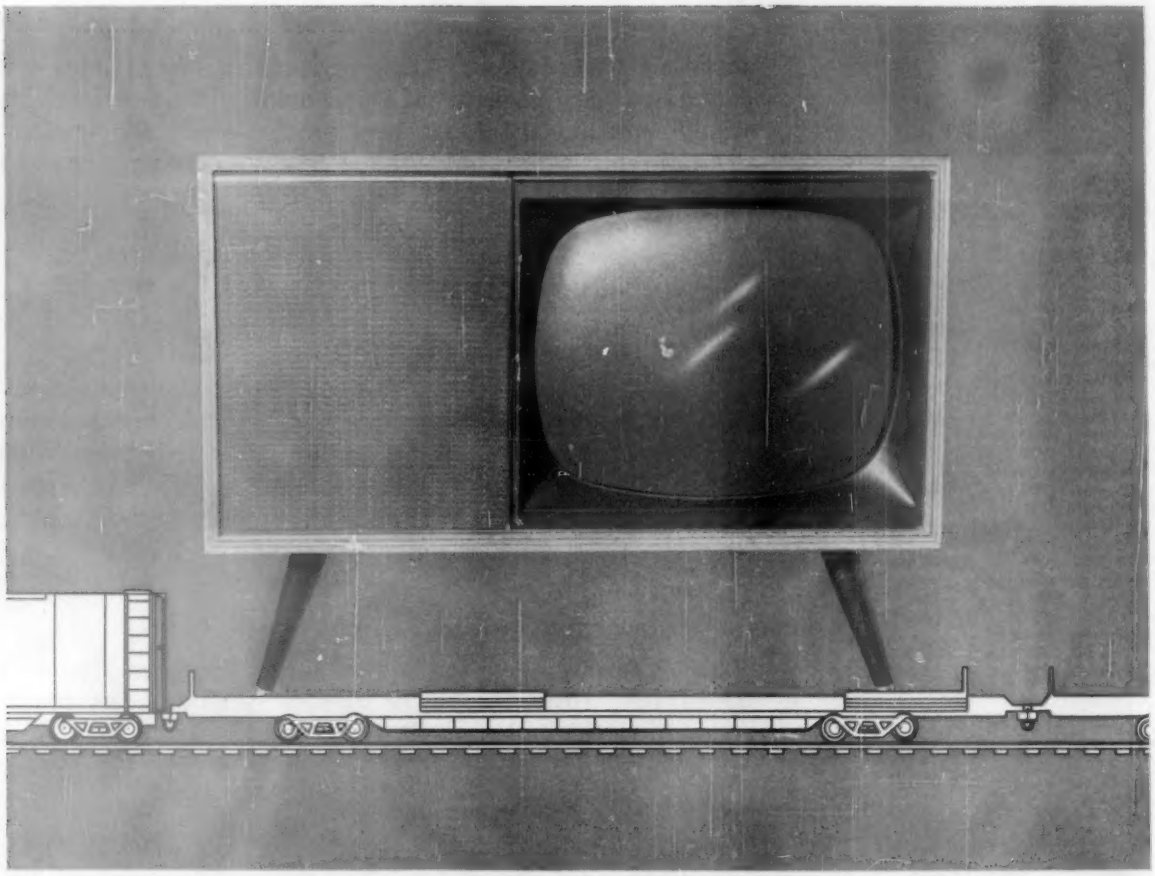
will be opened to traffic Dec. 19. The new $20-million line will permit 90-mph passenger-train and 60-mph freight-train speeds, will save over an hour on transcontinental freight schedules.

Granting of job-freeze demands . . .

of railroad marine workers in New York would be an unreasonable and unnecessary restriction on the operating requirements of the railroads and might actually result in fewer jobs, a Presidential emergency board found last week.

ICC has exempted Hawaiian motor carriers . . .

from federal regulation. After public hearings in Honolulu and Washington, the Commission ruled against "unwarranted federal regulation of a stub-ended, essentially local operation for no useful purpose."



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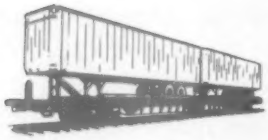

Seaboard's Piggyback Service connects key on-line points with Northern cities.

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THE ROUTE OF COURTEOUS SERVICE

REA Plans TOFC Trailer Pool

► **The Story at a Glance: REA Express took steps last week to broaden substantially the agency's role in integrated transportation.**

Directors of REA approved formation of REA Leasing Corp., a new subsidiary. The leasing firm, to be established by Jan. 1, will acquire highway trailers and containers and will operate a national piggyback trailer interchange pool. As many as 2,000 trailers may be acquired in 1961.

REA President William B. Johnson calls the move a "logical and needed step" to spur piggyback growth. He believes future expansion of the new set-up will stimulate the development of inter-carrier container shipments.

The Railway Express Agency, almost condemned to extinction a year ago, has had a busy 1960. Last week the company pushed aside its rebuilding program long enough to announce a major new venture.

Effective Jan. 1, 1961, REA will set up a new leasing subsidiary for highway trailers and containers. If the move succeeds, and there are reasons to think it will, REA will assume a big role in the fast-growing piggyback business.

REA Leasing Corp. will acquire a fleet of highway trailers and container units. This equipment pool will be available to all U.S. railroads, as well as to qualified shippers, freight forwarders and others using piggyback service.

Railroads will be able to participate through a Uniform Membership Agreement. There will be no fees or dues, according to REA spokesmen.

It is presently contemplated that railroad membership may be on either a subscribing basis, which includes a term commitment for a certain number of trailers, or on a participating basis, without specific trailer commitments.

Other participants in the REA equipment pool will operate under Uniform User Membership Agreements. Such agreements will entitle members to the use of fully-maintained trailers at specified per-diem charges, in accordance with pool regulations, as their needs demand. Per-diem charges were not revealed.

Initially, the equipment in REA's new pool will consist of closed, tandem-axle vans, in lengths between 33 and 40 ft. REA says equipment diversification will follow, once the pool is operating. Unofficial reports last week indicated as many as 2,000 trailer units will be acquired during 1961.

REA Express, parent company of the new leasing subsidiary, will itself be a subscribing member of the trailer interchange pool. While this points toward a successful beginning of the new operation, there was speculation last week that a number of railroads will join the pool in the coming weeks.

Such talk stemmed from the fact that 16 railroads are represented on the board of directors of REA Express, and these board members actually represent the 66 roads that own REA. Since these directors approved the leasing setup, it seems logical that several of the roads represented will shortly join the plan.

Another point in the new leasing firm's favor is the possibility that a single agency can work toward equipment standardization, particularly in containers. Carriers and shippers alike have agreed on the need. And last week REA President Johnson put it this way:

"This new program will place REA in position to facilitate the first substantial nationwide development of inter-carrier handling of compatible, fully-interchangeable containers."

REA management believes the company's existing organization will fit naturally into the new trailer-pool operation. For example, present plans contemplate 31 nationwide contact offices through which REA Leasing will undertake its centralized control and billing of pool trailers. The leasing firm will handle trailer licensing for pool units, cover all tire expense, absorb trailer damage in excess of $100 and provide all maintenance and repair.

"Through its inherent advantages of nationwide staffing, operational and technical capabilities, economies of volume purchasing and strategically located maintenance centers, REA is uniquely prepared to provide a flexible trailer and equipment supply," Mr. Johnson said.

"Through centralized control, the pool can be geared, at the lowest possible cost, to the varying time, place and specific equipment needs of both carriers and shippers," he added.

Regional offices will be maintained in four cities—San Francisco, Atlanta, Chicago and New York. These cities will also serve as contact-office points, along with Los Angeles, Denver, Washington, Jacksonville, Fla., Indianapolis, Boston, Detroit, St. Paul, Kansas City, St. Louis, Omaha, Newark, Albany, Buffalo, Greensboro, N. C., Cincinnati, Cleveland, Toledo, Portland, Ore., Philadelphia, Pittsburgh, Providence, Memphis, Dallas, Houston, Seattle and Milwaukee.

How REA Leasing Corp. Will Operate

1. Contact offices for railroad, other carrier and shipper members of the national trailer interchange pool will be set up at 31 cities.

2. Regional offices of the leasing firm will be located at four of these cities—San Francisco, Chicago, Atlanta and New York.

3. Existing REA automotive shops in 111 cities in 37 states and the District of Columbia, to be used by REA Leasing, can provide major repair work for more than 5,000 trailers.

4. Field service trucks will be used to handle preventive maintenance and light repairs in the field—eliminating the expense of shuttling trailers to garage facilities.

C&O Claims Victory in B&O

► **The Story at a Glance: The key to the B&O's future appeared to rest last week with the ICC. C&O claimed victory over New York Central in the fight for B&O voting stock—but NYC remained hopeful that the ICC would decide that a B&O-NYC merger (now under study) would be more beneficial to all concerned than a B&O-C&O affiliation.**

One of the biggest financial stories in recent railroad history reached a climax last week with Chesapeake & Ohio's claim of victory in its contest with New York Central for Baltimore & Ohio stock.

As of 5 p.m. Dec. 14, with both the C&O and the NYC exchange offers slated to end at midnight, the C&O announced that it had received acceptance of its exchange offer from holders of 1,680,000 shares, representing more than 53% of the combined common and preferred B&O shares.

Walter J. Tuohy, C&O president, announced results of C&O's long struggle for stock control of and eventual merger with the B&O.

"The owners of the Baltimore & Ohio Railroad have shown that they believe in the merits of affiliation as a first step toward the merger of the B&O and the C&O," Mr. Tuohy said. "Association of the two railroads has been described as a 'natural' that would best serve the interests of the shareholders of both companies, the employees, and customers, communities and the public.

"The B&O shareholders' decision follows a seven-month period during which an exhaustive presentation of their viewpoint was made by both railroads involved. The shareholders have chosen," Mr. Tuohy concluded.

The next step, a C&O spokesman said, will be for the Chesapeake & Ohio board to approve acceptance of the shares tendered by B&O holders. This will be necessary because the 53% of shares tendered is less than the 80% figure set by the C&O's directors in their original approval of the offer to B&O shareholders. No difficulty is expected in getting the necessary acceptance when the C&O board meets, probably some time this week. The board may also suggest reopening the offer for other stockholders who may now want to be included.

Because the shares offered to the C&O totaled less than the number originally specified, B&O shareholders who wish to withdraw their acceptance of the C&O offer may still do so within the next 30 days. However, the final percentage of shares accepting C&O's offer may be more than the 53% announced, since acceptances postmarked the day of the hearing.

Watching Washington *with Walter Taft*

• **THE NIT LEAGUE** is still pressing its contention that proposed rates to which two or more railroads are parties can't be published in tariffs until they've been processed through Bulwinkle-Act procedures (RA, Oct. 24, P. 10). Procedures involved are those maintained by railroad rate bureaus with benefit of the anti-trust immunity granted by the Reed-Bulwinkle Act (now Section 5a of the Interstate Commerce Act).

PERFUNCTORY COMPLIANCE won't satisfy the league. It makes that clear in a new petition filed with the ICC's suspension board. The petition calls for suspension of pick-up and delivery charges proposed by several Official Territory railroads which thus seek to abandon present arrangements whereby those services are provided under line-haul rates.

THE ASSAILED TARIFF is Hinsch's ICC C-175, originally filed with an effective date of Oct. 24. Protests have prompted the railroads to set back the effective date three times. It is now Dec. 23.

MEANWHILE, the proposal was made the subject of a public hearing before a railroad rate bureau. That's what the league rejects as only "belated and perfunctory compliance" with requirements of the Section 5a agreement. Moreover, the league charges the railroads with still "continuing their course of concealment and confusion." It says the tariff was modified by a supplement which "not a single shipper had seen or heard of" until

• **RAILROADS** are still slipping in the competition for line-haul transportation business offered by the large freight forwarders. During this year's first six months, forwarder payments to railroads were down 4.9%. Comparable payments to truckers were up 7.1% while the gain for water carriers amounted to 33.9%.

THE RAILROADS' "SHARE" of this forwarder business is still more than three times that of truckers, the takes in this year's first half having been $93.3 million and $29 million, respectively. A couple of years ago, however, the railroads were better than 4-to-1 leaders. Despite their big gain, the water carriers' six-months take remained relatively small—$669,000.

• **MORE THAN $73 BILLION** would be required to reproduce the Class I line-haul railroads. And it would take another $1.7 billion to reproduce the Class I switching and terminal companies. These are the latest estimates of the ICC's Bureau of Accounts.

LESS DEPRECIATION, the cost of reproduction is put at $46.4 billion for the line-haul roads and $1.1 billion for the switching and terminal companies. Original costs are put at $32 billion and $696 million, respectively. None of the totals includes costs of land and rights which have a present value of more than $2 billion. Working capital is also excluded.

Contest

before midnight Dec. 14 will be counted in the final result.

Assuming, as is likely, that C&O retains its majority of B&O shares and that the C&O board votes to accept the shares, C&O control of the B&O is still subject to approval by the Interstate Commerce Commission. New York Central, C&O's unsuccessful opponent in the struggle for B&O shares, did not reveal how many shares its offer had drawn. NYC President A. E. Perlman commented, however: "The important factor in the whole matter is whether the Interstate Commerce Commission will determine that the public interest is best served through control of the Baltimore & Ohio by the C&O or by a merger of the B&O and New York Central.

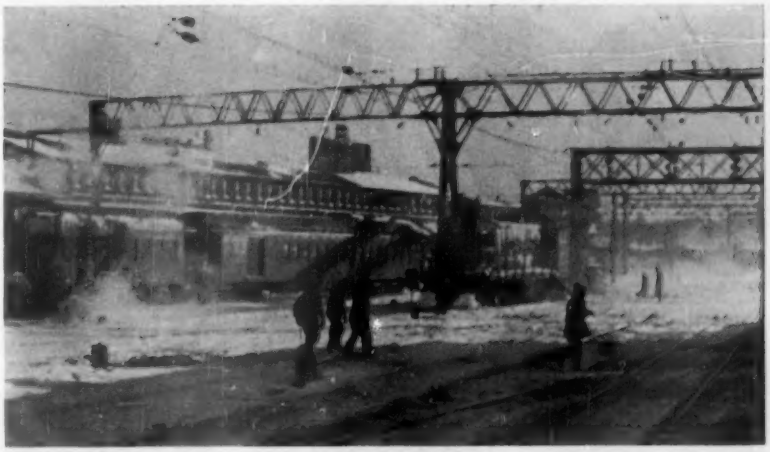
"Both Mr. Simpson (B&O President) and I have stated that a merger of B&O and New York Central is in the greater interest of both the public and the railroads. These merger studies are progressing very satisfactorily."

In Baltimore, a spokesman for the B&O said that his road would have no comment at this time, pointing out that several steps yet remained to be taken before the C&O proposal could become final.

At the Interstate Commerce Commission, C&O's application to control B&O is still pending.

Meanwhile, the ICC has authorized the Department of Justice to intervene in the two proceedings which were instituted to consider the separate C&O and NYC applications for authority to acquire control of B&O. The Justice petitions for leave to intervene said the department wants to "protect its anti-trust interest." Under the Interstate Commerce Act, parties consummating merger transactions approved by the Commission are immune from prosecution under the anti-trust laws.

Because Justice had not intervened in such recent merger cases as Norfolk & Western-Virginian and Erie-Lackawanna, its present action was followed by published reports (citing Justice Department sources) which referred to an ICC-Justice agreement and said the Commission wanted Justice's help in exploring anti-trust phases of the B&O case. Justice's intervention petitions and the Commission's order, however, were of the usual type, and it was stated at the Commission that the regulatory body was aware of no "agreement," nor had the Commission solicited the intervention.



BLOWING SNOW hampers efforts of Erie-Lackawanna crew to free switches at Hoboken, N. J. Gale winds, zero cold added to troubles of railroads.

All This and 'Snowbirds', Too

Wind-driven snow, zero cold and their perennial companion, the "snowbird" (also known as the "grouse"), descended on eastern railroads last week.

The East's worse pre-season blizzard hit railroads with a multi-million-dollar wallop. Powdery snow clogged switches, equipment froze, drifts blocked tracks, and schedules were disrupted. But the trains ran, if not always on time, while buses and automobiles and airplanes lay paralyzed. Thus was produced the recurring phenomenon of the "snowbird."

The "snowbird" is railroadese for the confirmed highway or air traveler who scorns railroads except in times of crisis, then complains bitterly about the service. The "snowbird" is easily identifiable on commuter lines where he buys a single-ride ticket instead of a commuter book.

"We counted 500 'snowbirds' at Mt. Vernon, N.Y., in a single hour," reported a New Haven spokesman, "and a lot of others bought tickets on the train. As usual, it was the 'snowbirds' who groused the loudest."

The railroads did not, in their turn, grouse back. They hired thousands of extra men to help thaw switches and cart away snow and, with few exceptions, kept tempers low and trains running. A conductor entering an Erie-Lackawanna commuter car at Summit, N.J., shouted jovially: "All tickets please —regardless of your usual means of transportation."

Of graver concern to eastern railroads than "snowbirds" was the price tag the storm carried. The Long Island estimated it spent $500,000 on the first day of the storm to keep its trains running. In New York City, where 17 inches of snow fell in 24 hours, the Pennsylvania hired 600 men to supplement a normal work force of 1,000. From Baltimore to Bangor, the story was much the same.

While most roads wouldn't hazard a guess as to the cost of the storm there was general agreement that it will run into the millions—a severe blow for roads already feeling a severe financial pinch.

Baker Lists Transport Issues Facing New Administration

President-elect John F. Kennedy's administration is confronted at the outset with five basic transportation problems, says George P. Baker, professor of transportation at the Harvard Graduate School of Business Administration and president of the Transportation Association of America. The five are:

- Lack of a unified government approach to transportation.
- Difficulty for regulated carriers to discontinue obsolescent operations.
- The intricate and difficult labor situation obtaining in the transportation industry.
- The steadily decreasing share of total transportation carried by regulated for-hire carriers.
- The difficulties entailed in changing from a price structure based on outdated conditions.

"With both the administration and the majority of Congress of the same party," Mr. Baker told the Traffic Managers of Southern California in an address at Los Angeles, "the opportunities for the administration to press for desirable transport legislation appear to be far greater than in the past."

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TMs Like Compulsory Arbitration

Proposition

Recent railroad strikes have revived interest in the possible application of compulsory and binding arbitration in railway labor disputes. Presumably, such arbitration would be resorted to only after the normal processes of so-called collective bargaining had failed, but before the disagreement progressed to the point of an actual strike. It would be designed, obviously, to avoid such complete stoppages of rail service as occurred last summer and fall [on the Long Island, the Pennsylvania and various "steel" roads].

Questions

1) Would you favor compulsory arbitration of railroad labor disputes?

Yes	51
No	10
Qualified, uncertain, or prefer alternatives	7

2) If not, what alternative(s) could you suggest which you feel would be fair to both labor and management—and also fair to the public, by preventing costly and annoying railroad strikes? See accompanying text for responses to this question.

Compulsory and binding arbitration of railway labor disputes before they reach the strike stage is both desirable and necessary, in the 3-to-1 opinion of shippers answering this month's Poll. Some of the majority make it clear, however, that they have reached that conclusion only reluctantly, and largely because of the repeated strikes and strike threats on individual railroads during the past 12 months.

The outcome of the Poll is not, perhaps, particularly surprising. "After all," as one traffic man commented to Railway Age, "the industrial traffic manager is vitally concerned with steady, uninterrupted transportation service. He's naturally going to favor almost anything that will guarantee that, and prevent service stoppages."

Actually, however, that particular point was only rarely mentioned in Poll replies. The most frequent argument in favor of compulsory arbitration was the fact that rail strikes affect the public as much as, or more than, they affect carriers and their employees. As J. J. Leahy, Jr., manager, Transportation department, Greater Boston Chamber of Commerce, phrased it: "Rail service has reached the point where it is so clothed in the public interest that compulsory arbitration is the only way that interest can be protected. Rail labor disputes are *not* two-sided; they are three-sided —labor, management, and public!"

"Public welfare should always take precedence over the selfish interests of either unions or management," says P. J. Bond, general traffic manager, Pure Oil Co., Palatine, Ill. W. E. Toalson, traffic manager, Pure Gold, Inc., Redlands, Cal., says almost the same thing: "In matters affecting the national transportation picture, the public interest is and should be supreme, outweighing all other consideration." "The public's interest should be paramount," agrees A. J. Larson, GTM, Masonite Corp., Chicago. "Compulsion," Mr. Larson adds, "is not desirable, but seems like the only way out in some cases."

J. S. Wilson, general traffic manager, Sunshine Biscuits, New York, thinks compulsory arbitration "will eliminate threats of strikes."

Rail strikes, Mr. Wilson adds, "have a very definite effect on the rails' economy." That point is covered in more detail by E. O. Wood, traffic manager, Imperial Sugar Co., Sugar Land, Tex., who says: "The circle procedure of management granting benefits, followed by the ICC granting increases in charges designed to offset the cost of benefits granted by management, has lost to the rail carriers their historical preeminence as the major mode of intercity transportation. Further pursuit of that procedure will actually result in declining revenues."

Somewhat similarly, H. H. Kohn, traffic manager, Linwood Stone Products Co., Davenport, Iowa, suggests that, in practice, "compulsory arbitration to avoid a strike would be an advantage to both sides," since "both, as well as the public, lose whenever there is a strike."

Other respondents suggest that compulsory arbitration—if adopted—should not be limited to railroads. P. T. Catalano, traffic manager, Steelcase, Inc., Grand Rapids, Mich., would extend it for example, to "all modes of transportation"; P. J. Berst, traffic manager, Continental Rubber Works, Erie, Pa.,

(*Continued on page 42*)

Labor Relations Man Says 'No'

A. J. Carr, manager, traffic department, Quaker Oats Co., Chicago, asked his company's manager of labor relations, D. L. Miller, to respond to this month's Poll. Here, quoted by permission, is Mr. Miller's reply:

"I do certainly have an opinion about compulsory arbitration as a means of settling collective bargaining disputes in the railroad industry or any industry. I don't like it. It is dangerous and we do not need it.

"It is agreed that a railroad strike is costly and annoying. So are all other strikes. Obviously, this is the purpose of a strike. A strike will always involve the public at some point, and it should. The pressure of public opinion will be effective if either or both of the parties have not felt sufficient economic or moral pressure to settle their dispute short of arousing such public pressure.

"Even though this pressure is costly and annoying, it will be far less costly to our nation in the long run than to submit disputes to compulsory arbitration.

"Arbitration will mean compromise—splitting the difference in some manner. Arbitration will mean decision making will be passed to people who can't be well enough informed to make such decisions and above all are not answerable to anybody for their deeds once they are done.

"Compulsory arbitration is but the forerunner of government control and regulation of wages—then it must follow that we should have price controls.

"Recommendations for other means of breaking off strikes should include a number of choices for the President. Fact-finding boards, injunctions, government seizure under certain conditions are examples."

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Service? No other organization can match REA—it's *complete!*

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- Curtains and draperies
- Sheets, towels, tablecloths
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- Hand tools

This is only a partial list applying between all points . . . call your local REA office if *your* commodity is not included here. If it *is*, call for the complete rate story—it will show you big savings.

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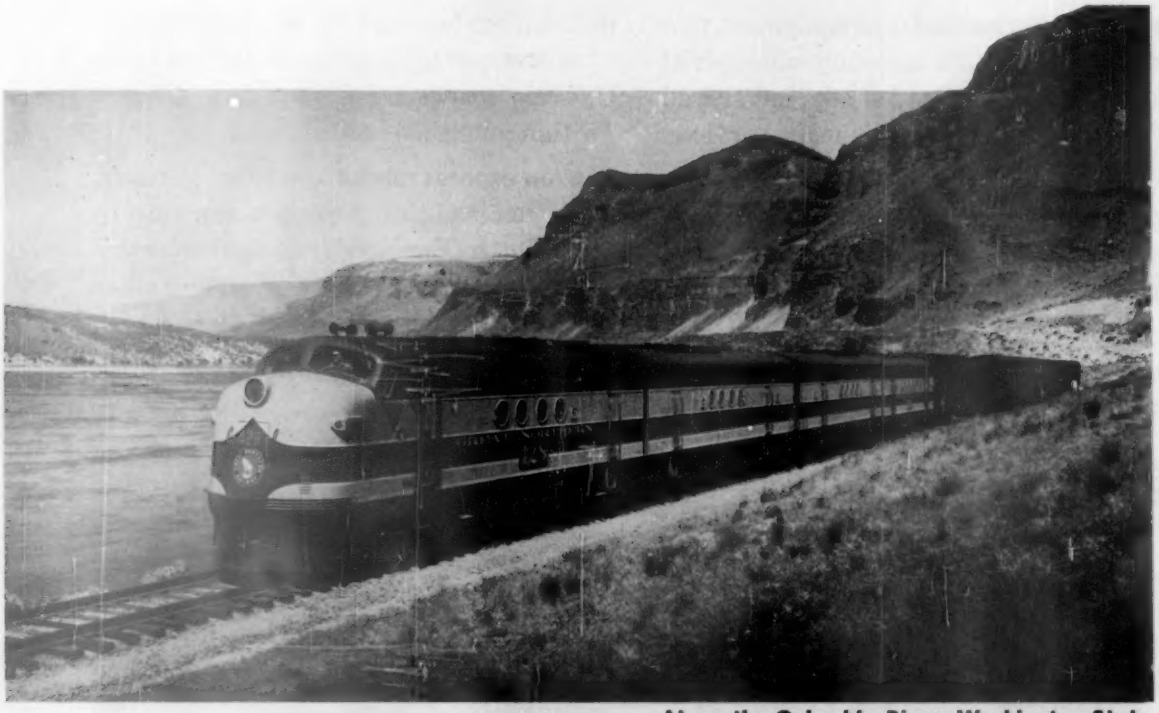
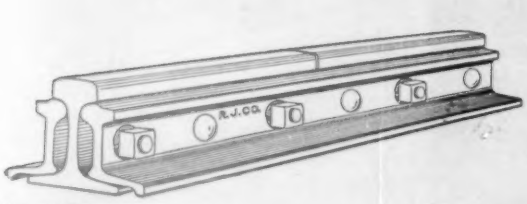
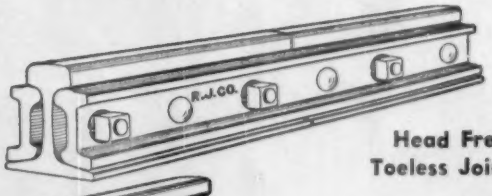


Along the Columbia River, Washington State with a Great Northern Freight train

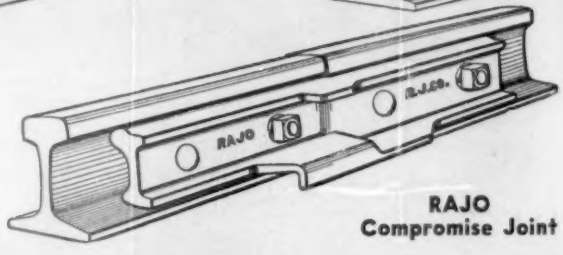
Improved Joints for Modern Rails



Head Free Flanged Joint



Head Free Toeless Joint



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Vertical stiffness, strength—Lateral stiffness and fit of Rail Joints —all contribute to the length and life of the rail. Rail Joint sections are stronger in the head to resist fatigue failure.

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A Railway Age Special Report

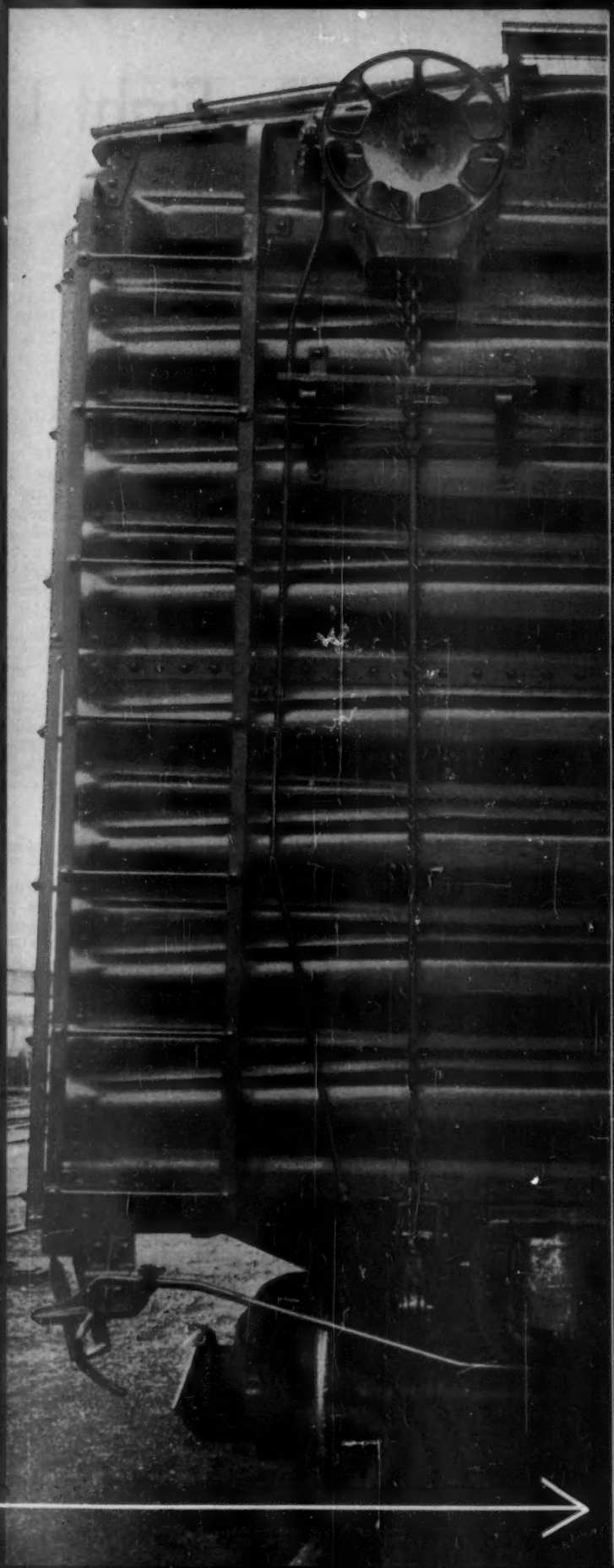
Project 1961

'Hardware' Helps Cut Damage To RR Freight

1 Draft gears absorb impacts

2 Special devices brace lading

3 Underframes for cushioning



How RRs Fight Lading Damage

► **The Story at a Glance: Lading damage, costing railroads in excess of $100 million annually, is a complex problem which is only now being thoroughly analyzed and understood. About half the dollar claims for freight damage are filed against traffic which accounts for only one-fourth of all freight revenues and which moves in only one-tenth of the American car fleet. Those products which are packed in cartons and moved in box cars are responsible for this inordinate portion of the total freight-damage bill. Railroads and their suppliers have been developing and testing many new cushioning arrangements and load-restraining devices for protecting these fragile box car ladings against longitudinal shocks. Each such development has a role in solving what is probably one of the biggest problems confronting railroads today.**

Impacts resulting from over-speed couplings during switching and from train surges during over-the-road operation are responsible for a major portion of all lading damage. One western road has estimated that the revenue from each eleventh car handled is lost through payments of claims for all types of lading damage. The draft gear, conventional impact-absorbing device on the American freight car, has had its capacity increased steadily. While higher draft gear capacity has proved to be effective in protecting car structures from impact damage, this is not always true for the loads which these same cars carry. Recent research has begun to show why.

Almost half the dollar value of damage claims filed against railroads is for damage to goods shipped in fiberboard cartons; such traffic produces only about one-fourth of all freight revenues. This type of lading, then, is of prime importance in any developments aimed at reducing damage, and also at preventing the diversion of traffic to other transportation agencies. Equipment which will fit a car for handling carton freight without damage will almost inevitably make it suitable for safely moving most other types of loads.

This type of traffic usually moves in box cars; some refrigerator cars are also involved. In a report made by the Transportation and Packing Survey on three years of inspections involving 3,440 cars, it was determined that juices and miscellaneous foods in tins, packed in cartons, were most susceptible to damage. The ratios of claims to revenues were 12.6% and 11.4% respectively for these two classes. The Packing Survey, sponsored by the railroads and the Fibre Box Association, concluded that 75% of the damage to these types of ladings can be attributed directly and indirectly to horizontal shock loads to the coupler.

Traffic particularly susceptible to damage from longitudinal shocks moves in about 10% of the total U. S. car fleet. Because of the high rates and consequent high revenues, an investment in equipment or devices which will provide protection against these impacts can be justified. Elimination of damage claims associated with these movements provides an economic return for the necessary increased investment.

There are several approaches to solution of the problem of longitudinal shocks. The load can be subdivided by adjustable gates or crossbars; it can be divided and secured by using lading straps and anchors; the car can be fitted with sliding sills and cushions; or there can be a combination of these arrangements.

Rigorous Tests Are Applied

Tests have shown that high-capacity draft gears can protect car structures and bulk ladings and that long-travel draft gears provide sufficient protection for rugged freight. Tests conducted at the Technical Center of the National Malleable & Steel Castings Co. led to the following report:

"Lading tests indicate that only marginal improvement in lading protection can be expected from high-capacity draft gears which have conventional operating principles either in the 24⅝-in. or 36-in. pockets. Additional capacity in a draft gear must be justified on the basis of its beneficial effects on car structures because such additional capacity reduces coupler forces and structural stresses. It does not, in general, materially affect lading forces within the travel range available in draft gears.

"For the highest degree of lading protection," the National Malleable report continued, "box cars should be equipped with lading-retaining devices such as loaders, compartmentizers, or the equivalent. Such devices require efficient sliding sills to make them most effective, and the sliding sills require such devices to provide the lading with the maximum benefit available from the sliding sills. The sliding sill provides control of the lading forces over a certain range of lading displacement and the lading retaining device maintains the lading in this control range during the impact."

The idea that a car and its lading cannot be treated as a single unit in the design of systems for absorbing high-energy impacts is relatively new. Tests have been showing that it is necessary to treat the vehicle and its load as separate problems, or to install an elaborate cushioning arrangement that completely absorbs impacts.

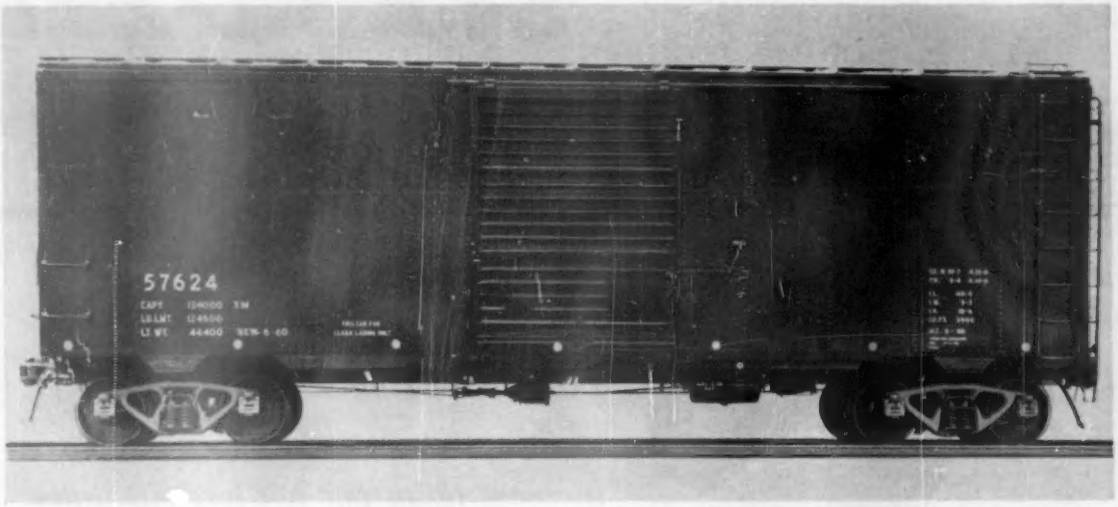
"Previous concepts in which car and lading are treated as an integral unit do not apply . . . and sharp reduction in coupler force is not necessarily reflected in a proportional reduction in lading force and damage," according to a recent Pullman-Standard research report. "Factors which affect lading forces, and therefore damage, are the cushion force, the weight of the lading and carbody, the resilience and internal friction of the lading, the number of load subdivisions, and the area of lading in contact with an end or load subdivision."

A few weeks ago, Pullman-Standard's F. L. Murphy explained to the Southern and Southwestern Railway Club the difficulties of designing a cushioning system for protecting fragile ladings. Almost ten years ago, P-S introduced its cushion underframe. The first such box car had a 7-in. travel cushion between its sliding sill and underframe. Subsequent models had 8-in. and, finally, 10-in. cushions. After these cars were in service, P-S began to analyze their performance.

Their ability to handle certain commodities without damage was excellent; other materials were handled with no more protection than was offered by conventional cars. In some cases, their records were even poorer than those of conventional cars. After some difficulty in determining the damage pattern, P-S found that rigid types of loads were handled with the greatest protection, and that flexible loads were those most subject to damage.

Tests at the Pullman laboratory in Hammond, Ind., with clay building tiles in the cushion underframe car agreed with actual service experience in that there was about a 50% reduc-

(Continued on page 26)



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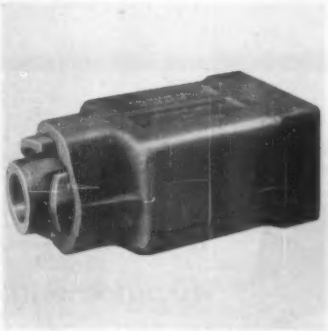
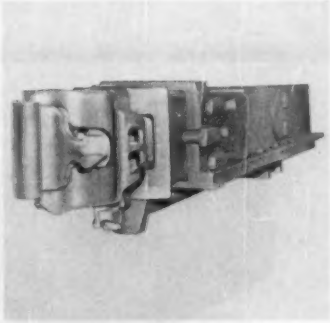
Draft gears absorb impacts



Combination Draft Gear

Miner's RF-333 combination friction and rubber draft gear has 100 per cent more capacity than specified requirements and unconditional approval.



Energy-Absorbing Mechanism

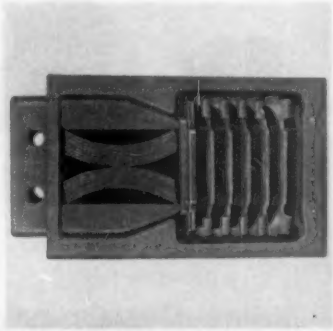
Freight Master unit made by Welex, Inc., provides for a full 8-in. cushioning stroke to protect the car and lading from either impact or draft forces.

Draft Gear Protects Lading

Peerless twin friction-clutch draft-gear mechanisms combine with four springs to absorb shocks, dissipate impact energy, and protect lading from damaging shocks.

High-Capacity Draft Gear

National Malleable's MF-400 unit is a self-contained rubber draft gear with a 42,500-ft-lb rated and a maximum 65,500-ft-lb buff capacity. Maximum buff travel is 3⅞ in.



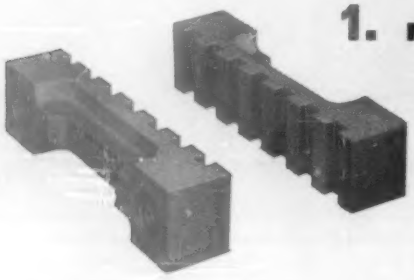
Friction-Rubber Draft Gear

Waugh-Gould Type 700 draft gear has capacity of 51,600 ft-lb, a normal travel of 2⅝-in. It combines precurved springs with rubber Waughmats high capacity.

Special Devices Brace Lading—pages 24-25 ►

STABILIZED

Now MAGNUS offers you three low-cost ways to

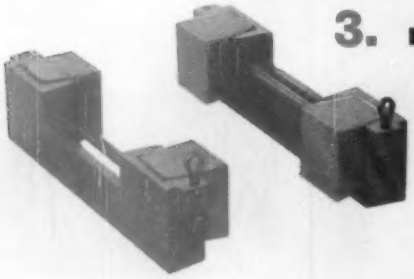


1. MAGNUS R-S JOURNAL STOPS

Provide maximum stabilization of the entire journal box assembly—increase miles per hot box ten times

2. MAGNUS FLAT-BACK SOLID BEARINGS

Wider, non-tilting design limits bearing displacement—provides effective stabilization at lower cost



3. MAGSTOPS

Offer the inherent advantages of R-S Journal Stops in a low-cost, rugged, fabricated design

THE NEXT big step toward better bearing performance will be the adoption of effective means of stabilizing the journal assembly—for this is the most economical way to reduce hot boxes. Magnus, the pioneer in journal stabilization, now offers you *three ways* to achieve this result at low cost. All have been approved by the AAR for test installations in interchange service. Ask your Magnus representative to discuss with you the most effective solution to this problem. Or write to Magnus Metal Corporation, 111 Broadway, New York 4, or 80 E. Jackson Blvd., Chicago.

JOURNALS—

get BETTER BEARING PERFORMANCE

Bolted to the inside of the box, on both sides of the journal, Magnus R-S Journal Stops positively prevent excessive displacement of bearing, wedge or lubricator pad, even under severe humping, braking or road impacts. By stabilizing the entire journal bearing assembly they eliminate the major causes of bearing failures —increase miles per hot box *ten times;* miles per cut journal, *fifteen times!* In short, they cut maintenance and operating costs all along the line—double bearing and dust guard life, reduce wheel flange wear, extend the maximum safe period between repacks.

Journal Stops give the low-cost solid bearing a chance to work at optimum efficiency, not just part of the time, but *all* of the time! They can be easily installed on any freight car, new or old. And they increase new car costs less than 2%—*pay for themselves* in less than 3 years!

Wear on R-S Journal Stops is slight, and Stops can be re-shimmed should wear become excessive. The Stops should last the life of the side frame.

The Magnus flat-back bearing design provides the most economical means of stabilizing the journal box assembly, and has proved highly effective for many types of service. Its greater width, increased angle of journal contact and full-area contact with the flat wedge inherently limit the fore-and-aft movement of the journal within the box under road shocks and switching impacts. This restriction of movement protects the dust guard, tends to prevent spread linings in the bearings.

The flat-back bearing is also manufactured to "pre-war length," increasing resistance to impact and wear at both collar and fillet ends. Its greater mass and weight result in a more *rugged* bearing with inherently greater life expectancy.

Magnus flat-back bearings are interchangeable with any standard raised-back bearing, simply by using a flat-bottomed wedge. Bearing dimensions, in each size, are the maximum which can be easily installed in the journal box through the standard lid opening.

Here's a new approach to the problem of journal box stabilization—a low-cost fabricated journal stop with forged steel frames and renewable bronze inserts that hold the journal in the center of the box even under the most severe car impacts. The frames are welded to the inside of the journal box and need never again be removed. Wear occurs only on the brass inserts, which are easily and inexpensively replaced during wheel changes, without any special tools.

The big advantage of the MAGSTOP is low-cost installation that can be accomplished quickly whenever side frames are removed for any reason. The bronze inserts provide ample bearing area and can easily be replaced, if required, without shopping the car.

By limiting journal movement within the box, MAGSTOPS greatly increase bearing life, protect against dust-guard damage, prevent loss and contamination of lubricant. They reduce wheel flange wear, too.

MAGNUS METAL CORPORATION
Subsidiary of **NATIONAL LEAD COMPANY**

LCL?

GN handles it PDQ with CSS*

Translation: Great Northern assures you Performance, Dependability, Quality with Coordinated Shipping Services...freight car, piggyback, truck

Shippers who use Great Northern find in the railway's Coordinated Shipping Services the precise combinations of transportation facilities they require.

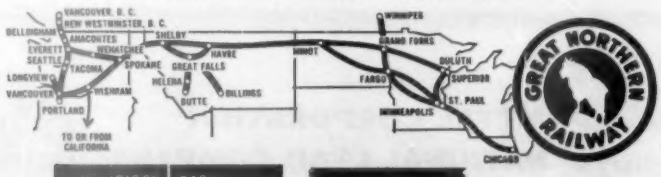
Some use rail—either freight car or piggyback—all the way. Others combine freight car and truck, or piggyback and truck—or all three.

Great Northern traffic representatives can advise you how to ship your goods. And they'll be glad to show you how the railway has stepped up the speed of its services, added considerably to an already enviable record for dependability, and has adjusted rates to be highly competitive.

Great Northern's Coordinated Shipping Services deserve another searching look. Why don't you get in touch with us today?

Remember: *your freight goes great when it goes Great Northern.*

Offices in principal cities of U.S. and Canada



Direct inquiries to:
G. D. Johnson, General Freight Traffic Manager, Great Northern Railway, St. Paul 1, Minnesota

On the new 703-foot Salkehatchie River trestle...

Atlantic Coast Line saved $69,000 with slabs and piles of prestressed concrete

Atlantic Coast Line trains cross the Salkehatchie River near Yemassee, S. C., at unrestricted speeds on one of the first major prestressed concrete slab railroad trestles in the United States. It replaces a short steel span and a creosoted timber trestle.

The $69,000 estimated savings in initial cost comes with mass production methods in prestressing that save labor. Construction is easier with prestressed concrete. Piles withstand real driving punishment. And prestressed concrete means less weight for the same load-carrying capacity, hence greater ease of bridge erection.

Low upkeep costs bring more savings. Concrete needs no painting to prevent rust. Prestressed concrete is setting a new pattern for trestles—for the Atlantic Coast Line and for other railroads across the country. Free technical literature on request. (U. S. and Canada only.)

PORTLAND CEMENT ASSOCIATION Dept. 12c-26, 33 West Grand Ave., Chicago 10, Illinois

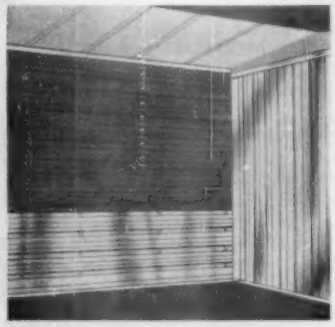
A national organization to improve and extend the uses of concrete

2

Special devices brace lading

Youngstown's Anchor System

Safe-Cargo system shown is one of five damage-control items of Youngstown Steel Car. It makes coil skids, hoods, car covers, and bulkheads.

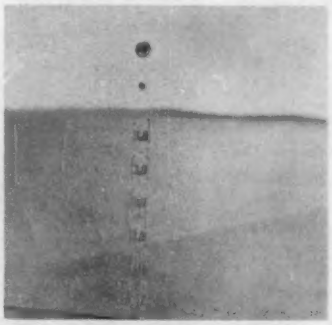


Strapping Anchor Panels

Applied in place of wood lining, the "Hitching Post" steel panels made by Western Railway Equipment Co. have lading anchors as an integral part.

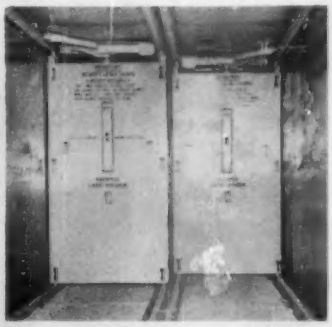
Steel Strap Anchoring

Acme Steel Co.'s anchor-load system has floor-to-wall anchor bands and horizontal bands attached to permanent recessed fixtures in the side wall of the car.



Lading Strap Anchor Linc

MacLean-Fogg continuous bar type anchor for steel lining is welded to Z-bar posts. MacLean-Fogg also makes door posts and retractable gondola anchors.



Load Dividers Are Flexible

Load dividers offered by Equipco can be moved to any position on permanent tracks and stored at the ends of cars or by swinging them to car sides.

Load Divider Locks Lading

Preco load divider is positioned without use of center railing in the ceiling. The divider locks the load in place, and it can be stored at sides or ends.

Steel-Reinforced Bulkhead

Signode bulkhead has ¾-in. by .020-in. steel straps laminated between two plies of 150-lb kraft linerboard. The bulkhead is cut at destination.

Loader for Specific Ladings

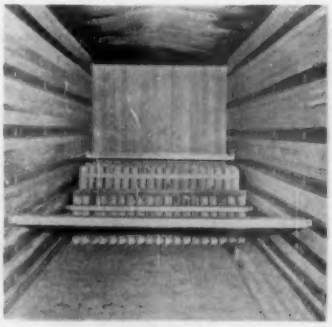
Sparton's standard Easy Loader is designed for specific types of lading. Ladings can be double-decked using crossmembers and deck boards.

DF Loader Divides Loads

Loader device equipment locks lading in box cars. Other Evans Products Co. units include movable bulkheads, coil car and automotive loading equipment.

Wine Lading Band Anchor

Anchor can be rotated 360 deg. Drops flush with the floor when not in use. Wine Railway Appliance Co. also makes continuous anchors for gondolas.

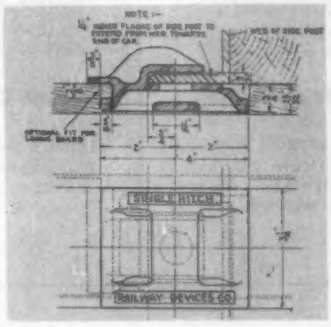


Cargo Control System

Series K system of Aeroquip Corp. has adjustable beam that can move 2½ in. horizontally. The ratchet buckle operates like a winch to tighten the load.

Low-Pressure Air Bulkhead

Dasey air bulkheads, product of Air Dunnage, Inc., are inflatable walls with sandwich partitions. They use 8 oz-1 lb pressure from special reservoir.



Single Hitch Strap Anchor

Strap anchor made by Railway Devices Co. is available either in the square style shown for tongue-and-groove lining, or round for plywood lining.

Lightweight Lading System

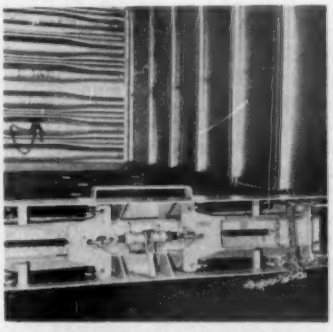
Car-Pac system, product of Pacific Car & Foundry, uses lightweight aluminum crossmembers which support deck boards for all car ladings.

Adjustable Easy Loader

Sparton's adjustable Easy Loader uses hat section instead of Z-section and has wall members that can be moved to handle any type of lading.

Adjustabie Lading Gates

Pullman-Standard's Compartmentizers swing into position, are suspended from trolley with roller bearings, and lock or store in any position.

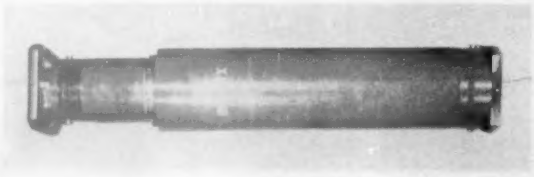


Tin Plate Load Restrainer

Brandon cushion chain load restraining device protects bundled tin plate in box cars. Cushion chain operates as shock absorbing and tension member.

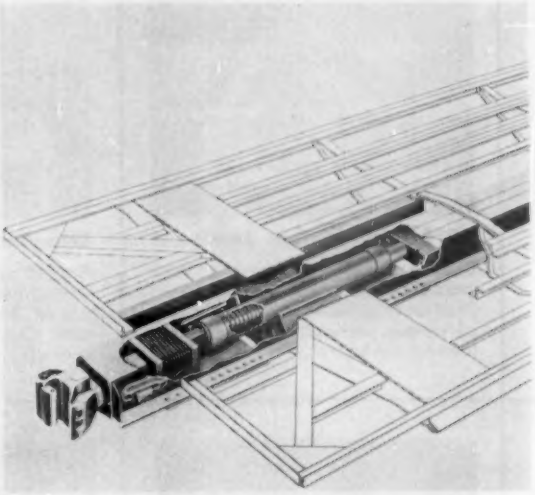
Underframes for Cushioning—pages 26-27 ►

3 Underframes for cushioning



Bendix Hydraulic Cylinder for Sliding Sill

In the Bendix design impact energy is dissipated by forcing oil through an oriffice to a low pressure chamber. Floating piston in chamber compresses air which returns shock absorber and center sill to center position.



Waugh Cushion-Underframes Made in Four Types

Impact forces are resisted by rubber Waughmats, then by compression of springs. Super-Cushioned Underframe shown employs ring spring units; Single-Spring, Double-Spring and High-Capacity underframes use coil springs.

tion in damage as compared with conventional box cars undergoing the same impacts. Next, the research turned to impacts of conventional and 8-in. cushion cars loaded with fiberboard cartons filled with 1-gal. bottles of water and impacted at speeds of 4 mph, 6 mph and 8 mph. There was no apparent difference between the two types of cars in their ability to protect this lading—actually there were three more bottles broken in the cushion underframe car.

Careful instrumentation had shown that coupler forces and carbody accelerations had been reduced materially with the cushion underframe car. Reduction in damage to the tile load had corresponded almost exactly with these reductions in coupler force and carbody accelerations. Laboratory results also agreed with actual service results when it came to impacting the flexible (glass bottle) load. Here the cushion underframe car was unable to provide any more protection than the conventional car.

Theoretical and model studies then revealed that in the impacting of two cars there is a second force, following the coupler force, which causes most of the damage to fragile ladings. This force is that of the car against the lading and does not bear a direct relation to coupler force or carbody acceleration. The compressing and shifting of the flexible load causes this second force to vary widely. Use of a high-speed movie camera showed that the carbody actually moves several inches under the coupling impact while the load itself remains stationary.

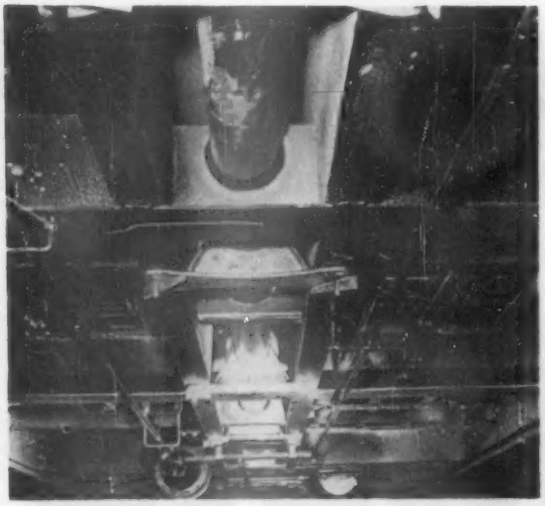
This investigation finally resulted in the development of the Pullman-Standard Hydroframe 60 cushion underframe. This still has 30-in. travel—a capacity determined by another series of experiments. Recently the Southern and Norfolk & Western put into service the first box cars with this high-capacity hydraulic impact-absorbing arrangement.

The Southern Pacific and Santa Fe had previously put into service two other types of hydraulic-cushioned, sliding-sill underframes.

"Optimum reduction in lading force by means of cushioning is not obtained until travel in the neighborhood of 30 in. is used," Pullman-Standard reported. "Although 30-in. travel cushioning extends protection to a carton lading, all other less critical types of lading are also protected. With 30 in. of cushion travel, load subdividing and similar methods of securement are unnecessary, providing greater flexibility and economies in loading practices," the report continued.

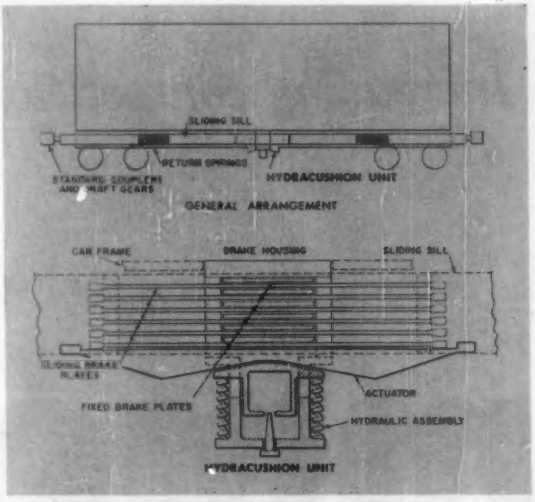
Even when this high degree of cushioning is not provided, Pullman found that "rigidizing" a resilient carton load by subdividing, and using a car with 10 in. of cushion travel would give similar results. To prevent damage to bottled goods at 10-mph impacts, a combination of six equal compartments and 10 in. of cushion travel would be necessary in a 40-ft. box car.

Santa Fe and Southern Pacific operate large fleets of hydraulically cushioned box cars. Both determined that conventional impact-absorbing arrangements were inadequate for protecting fragile freight. This led to the development of the SP Hydracushion and the Santa Fe Shock Control underframes by the railroads. These arrangements are now licensed to Waugh-Evans and Keystone, respectively.



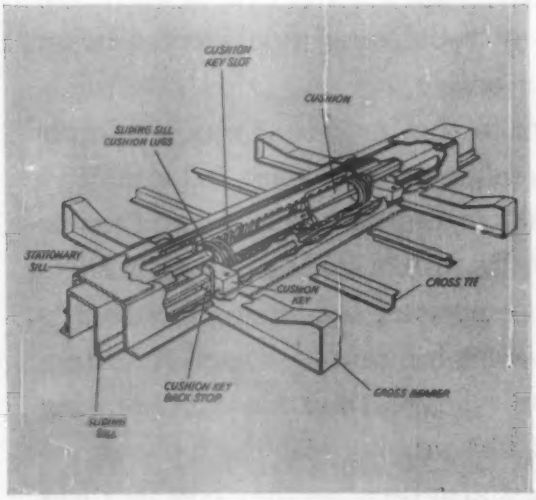
Barber Cushion Tube Connects Both Draft Gears

Cushion Tube of Standard Car Truck Co. softens buffing shock by using travel of both draft gears plus spring action of the tube itself. Steel tube floats in its supports which are on five-foot centers.



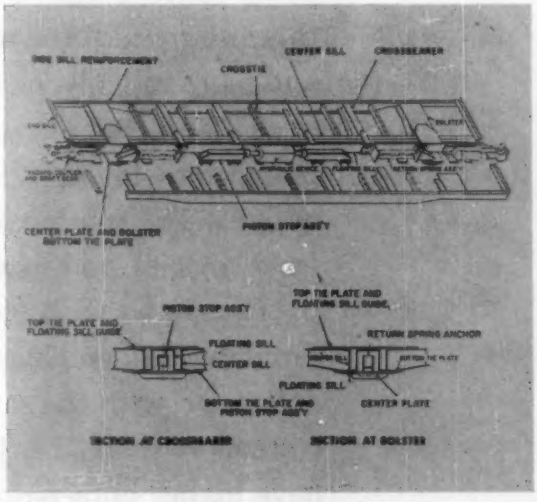
Waugh-Evans Hydra-Cushion Underframe

Diagram shows principles only of Hydra-Cushion under frame (details not as unit is built). Under impact, sliding sill exerts force upon Hydra-Cushion piston which exerts pressure against plates, retard sill movement.



Pullman-Standard Hydroframe-60 Cushion Unit

The P-S cushion underframe provides 30-in. cushion travel at each end of the car. Upon impact hydraulic cushion cylinder generates pressure by forcing oil through a controlling orifice.



Keystone Shock Control Features Hydraulic Unit

Made by the Rockwell Mfg. Co.'s LFM Division, the Keystone Shock Control unit dissipates impact energy in a hydraulic cylinder by the action of a piston forcing oil through several small orifices at high velocity.

Increasing competition demands...

an immediate

For 15 years railroads have been losing business to other forms of transport. But now, new developments in motive power have helped make it possible for railroads to regain this lost ground. Ton miles can be delivered at less cost, quicker and more reliably, than ever before.

This immediate solution to the inroads of competition is provided by the ALCO 251 diesel engine, and modern locomotive designs. The combination has proved its efficiency and power for five years, and in almost 250 million miles of operation.

Compared with older locomotives, the 251-powered units can deliver as much as 50% more ton miles for each operating dollar. Or, with the same ton mileage, they can cut operating costs more than 33%. This is not only because the locomotives have higher horsepowers, but also because they cost 60% less

solution:

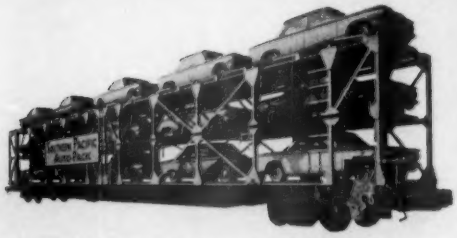
to maintain, use less fuel, and are more flexible in operation.

The benefits of 251 operation can be gained without buying new locomotives. ALCO 251 Reprofiting plans for locomotive rebuild are tailored to provide a new-locomotive equivalent, at significantly reduced cost. Cash investment can be regained in one to three years.

With this kind of added efficiency, railroads will be in a better position to reverse inroads made by competing forms of transportation. The 251 engine and ALCO's modern motive power are designed to help meet the railroads' competition. Judged on product quality, they stand far in front.

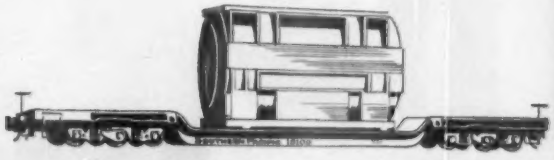
ALCO **ALCO PRODUCTS, INC.** *Product quality comes first*

Covered gondola car has movable bulkheads and removable covers for steel, aluminum, other loads requiring protection.



Multi-level Auto Pack, bi-level or tri-level, for efficient shipping of automobiles and trucks.

Bulkhead flat car, for plasterboard and other uniform loads.



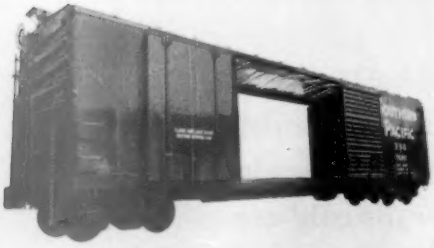
Depressed-center flat car, heavy-duty, for extra-high and extra-large shipments.

All sorts...and all specialists in efficient freight handling

No longer is a freight car *just* a freight car. Even box cars now have personalities of their own—special aptitudes for different jobs.

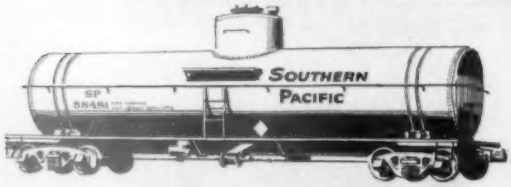
Here are some of the many specialists in S.P.'s freight fleet, now more than 80,000 cars strong. These cars are designed and equipped to meet the widely varying needs of shippers and receivers—needs both usual and unusual.

With cars like these and others, we aim to provide you versatile, efficient rail transportation for whatever you have to ship—to, from or in the 11-state Golden Empire we serve.



Double-door box car, for plywood, lumber and other shipments needing wide doors.

Heavy-duty open gondola car for carrying ore. Extra-weight capacity.



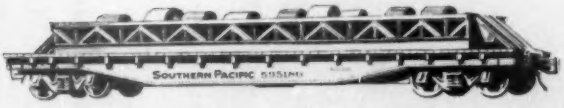
Tank car, for petroleum products, chemicals and other liquids in bulk.

Piggyback car, for carrying highway trailers, vans and containers.

Aluminum hopper car. Extra-capacity lightweight car for bulk sulphur movement.

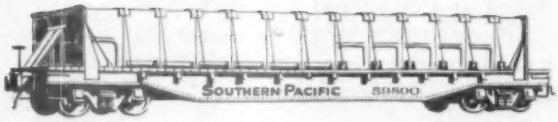
Covered hopper car, high-capacity, for granular and powdered products.

Mechanical refrigerator car, for frozen or fresh foods as well as general freight.



Coil car, with cradle for carrying heavy rolled-steel coils.

Hydra-Cushion box car for top protection of fragile freight. Also equipped with various types of interior load-protection devices (D-F and Car-Pack loaders or Compartmentizer dividers).



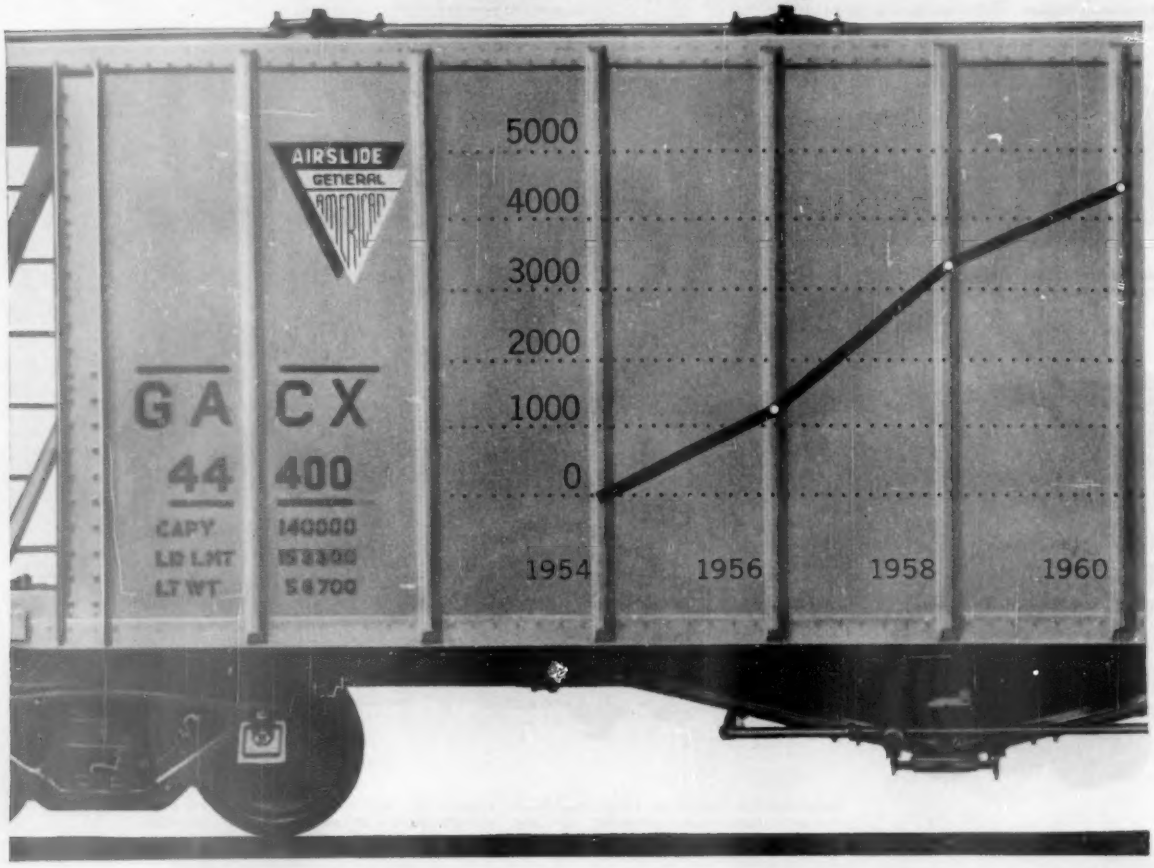
Bin car, for containerized shipments of bulk chemicals, powders, granular commodities.

Southern Pacific

Serving the Golden Empire with
TRAINS • TRUCKS • PIGGYBACK • PIPELINES

Wood chip car, extra-large capacity for moving wood chips from lumber mills to paper plants.

GENERAL AMERICAN AIRSLIDE® CARS ...NOW MORE THAN 4500 IN SERVICE!



918 BUILT AND DELIVERED IN 1960 Demand for these highly efficient cars is big . . . and steadily growing. Introduced only 6 years ago, the AIRSLIDE car's reputation for safe, bulk shipment and speedy unloading has now made this car the standard for granulated and powdered materials. It is especially desirable for those materials which tend to bridge or pack or which do not normally flow by gravity.

HOW AIRSLIDE CARS HAVE BEEN RECEIVED BY INDUSTRY *Here are some of the commodities Airslide Cars are handling: Flour (Wheat, Oat, Semolina, Soya), Sugar (Beet, Cane, Corn), Starch, Chemicals, Plastic Powders, Weed Killers, Activated Carbon, Bentonite, Clay (phosphatic), Ores.*

If you are not already taking advantage of AIRSLIDE CARS, it will pay you to get complete data. Write today to:

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"THANKS FOR USING COAST LINE!"

Just a greeting to let you know how much we appreciate you and your continuing faith in us. May the holiday season and the coming new year bring happiness unlimited to you and yours.

ATLANTIC
COAST LINE
RAILROAD

WRESTLING TAKES A TEAM . . .

Wrestling a steer—or wrestling with a railroad problem—takes a team.

For more than five years, the representatives of 120 leading railway equipment and supply companies united in the Railway Progress Institute have continually devoted time, money and energy to the study of such top railroad problems as piggyback development and containerization, metropolitan transportation, railway supply financing, executive development, and many more.

REMEMBER: RPI Member Companies are on the railroads' team.

Sales representatives of all railway suppliers, whether Members of the RPI or not, are invited to participate in RPI's 2d Annual Railroad Sales Development Seminar, to be held at the Hotel Moraine, Highland Park, Ill., starting January 31, 1961. For additional details, write the RPI offices, 38 S. Dearborn St., Chicago 3, Ill.

RAILWAY PROGRESS INSTITUTE

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P R I

WM is the "Sweetheart's" railroad

Maryland Cup Corporation, makers of the popular "Sweetheart" cup, is building a new multi-million dollar plant on a 25-acre tract adjacent to the ideal Owings Mills Industrial Park near Baltimore, Maryland.

That's right on the lines of the friendly Western Maryland Railway, where courteous efficient service is a part of a tradition built during more than a century of pleasant dealings with its customers.

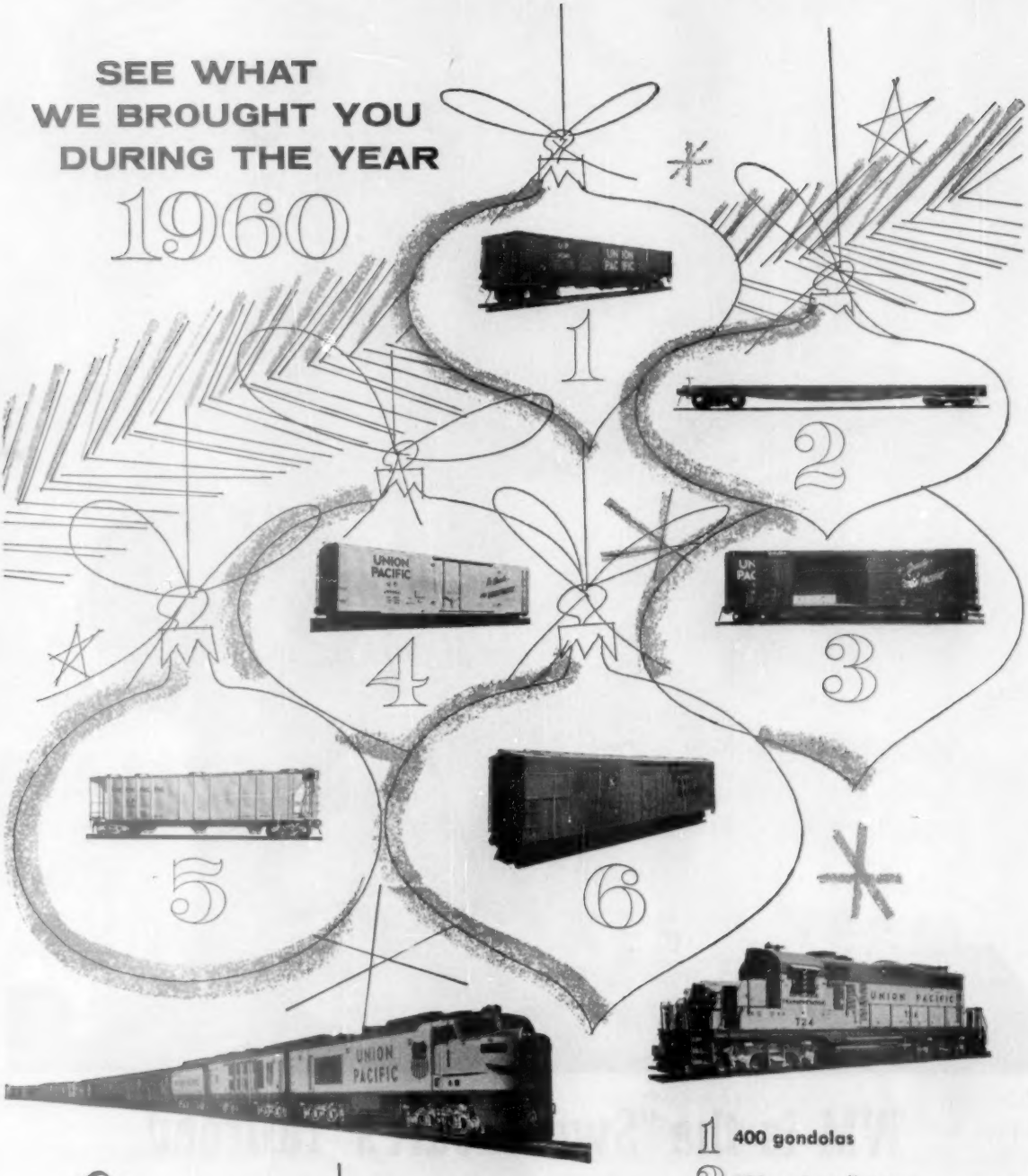
And there are many other good reasons why this progressive manufacturer is locating here. An abundance of steady labor, for example . . . low cost electric power . . . plenty of water . . . nearness to raw materials and ready access to all important markets.

Are you looking for a location for a new plant? There's a place for you along the lines of the up-to-the-minute Western Maryland. Let us give you the full story.

300 St. Paul Place, Baltimore 2, Md. — Short Cut for Fast Freight

SEE WHAT WE BROUGHT YOU DURING THE YEAR

1960



1 400 gondolas

2 200 various flat cars

3 200 50 ft. plug door boxcars

4 200 new type self-contained dunnage cars

5 300 covered hopper cars

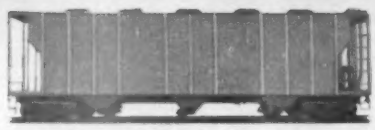
6 1,025 compartmented mechanical reefer cars

. . . and dozens of latest-type locomotives, gas-turbine and turbo-charged diesel

Season's Greetings

UNION PACIFIC *Railroad*

INSIDE MAGOR...



Aluminum Covered Hopper Car
3818 cubic foot 100 ton capacity
Weight 50,100 pounds

Low Alloy—High Tensile Steel Covered Hopper Car
3930 cubic foot 94 ton capacity
Weight 63,700 pounds

PAYLOAD IS THE PAYOFF!

Weight eliminated in the new larger, lightweight cars by Magor means greater payload in every operation. And because these lightweight cars are built to take punishment, their heavyweight performance means reduced operating costs as well. Payload is up—overhead is down with these revolutionary new cars.

Inside Magor a top notch development team can turn its 58 years of experience, designing special and custom built cars, to the design of new lightweight cars for your needs. Find out for yourself what fresh engineering concepts of car design and construction can do to make your operation more profitable.

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CN Takes Analytical Approach

► **The Story at a Glance: The Canadian National uses data processing equipment to help prevent loss and damage claims. The equipment is a fundamental part of what the road describes as an analytical approach to the loss and damage problem. The approach is based on an operation that takes claim information from source documents, translates it into data processing code and then produces various types of information. With this information, the CN can concentrate its damage prevention work most effectively.**

"Effective [damage] prevention action is more likely to be developed by commodity-wide activities carried out on a scientific and systematic basis rather than by a service to individual customers."

With that precept from a 1958 report to President Donald Gordon as a guide, Canadian National is laying great stress on an analytical approach to loss and damage for coordination of prevention activities.

The first step in the new approach to damage prevention was reorganization of the Freight Claims Department. The department was renamed the Freight Claims and Analysis Bureau. When the bureau began functioning in 1959, it had two distinct duties: continuation of existing freight claims functions and, a new function, analysis of loss and damage for coordination of prevention activities.

The new function of analysis was charged with three major areas of responsibility:

- Extracting and developing from freight claim and other records the information regarding loss and damage required to: 1) identify the commodities, 2) establish the causes, 3) fix the location, and 4) assist in determining the most appropriate remedies.
- Submitting the information to the appropriate department or departments for, among other things, appropriate corrective action.
- Following up all subsequent developments, noting corrective measures taken, and observing and reporting on results.

Analysis was defined as tracing claims to their source, which in turn meant finding not the reason *for* payment, but *why* payment occurred.

As W. Stirling, superintendent, Freight Claims and Analysis Bureau, describes it: "We all follow, more or less faithfully, the guide published in the Freight Claim Rule Book for allocation of payments to causes. But having done that, what have we learned? All we really know is the reason for payment, not what caused the loss or damage. . . . We intend to find out, and having found the cause take the necessary steps to eliminate it."

The Freight Claims and Analysis Bureau is headed by the Superintendent of Freight Claims and Analysis. The bureau was set up with two branches, one headed by a general freight claim agent charged with the freight claims functions already in existence. The other is headed by a coordinator, with the responsibility for loss and damage analysis.

Analysis of loss and damage for coordination of prevention activities was something new so far as the CN was concerned, Mr. Stirling says, adding: "It was also, to the best of our knowledge, new to other railroads in the United States and Canada; since there were no precedents to follow, we struck out on our own."

In the bureau, a team approach was adopted. A project team consisting of Mr. Stirling, his administrative assistant, the assistant to the general freight claim agent, the freight claim agent at Montreal, a business systems method analyst on loan from another department, and the coordinator of the analysis branch was formed to meet weekly (oftener if required) to handle specific problems.

The methods analyst and the coordinator were assigned the required studies of procedures and forms and the consultations with the Loss and Damage Prevention Department and other departments. In practice, half the team consists of men with long experience in freight claim work; the other half were undergoing their first exposure to freight claims.

The analytical approach to loss and damage prevention has one basic concept: If a shipper regularly ships carloads of a certain commodity to several points, but experiences loss or damage only on shipments to one point, there is something wrong at that point. For another example, when four shippers send the same commodity to the same point, and only one has consistent difficulty, he is requiring special attention. The analytical approach is designed to let prevention forces concentrate their attack where it will do the most good.

The CN's problem was how to develop the required data without being flooded with paperwork requiring additional staff to prepare and process. Equally important, the system was not to add any additional clerical work to claim investigators.

Canadian National, at its six offices in Canada and one in the United States, receives approximately 12,000 claims and 4,000 debits from foreign roads every month. The project team decided to try an interim analysis by manual methods rather than to proceed immediately with development of a mechanical data processing system. The reasons for this decision were:

- Interim analysis would serve as a pilot plan and show the pitfalls that could be expected before moving into the vastly more complicated mechanical system.
- Interim analysis would permit an early start on producing information for use by the appropriate departments.
- Feeding information thus developed to these departments would indicate what additional data or type of report they required to apply the necessary remedies.

On the Canadian National, claims, other than those on western grain, are registered by means of a six-part form, which the project team found helpful. All offices were directed to send one copy of the form to the coordinator. From these copies, the following information was available: consignee, shipper, commodity, origin, destination, date of shipment, cause of claim (limited to loss-damage-delay), type of traffic (CL or LCL), type of container, amount of claim.

The following factors had to be considered in using the forms for analysis:

- Information, based on what was available when the claim was registered, was in many cases incomplete and inaccurate.
- Forms were not available for immediate payment claims, which amounted to approximately 3,000 a month.
- Western grain claims were not registered on these forms (and were not included in the analysis, since it was felt this traffic should receive special study).
- Debits from foreign roads were not registered.

In the manual analysis phase, approximately 8,000 cards were sorted each month, first into the 41 commodities published in the Freight Claim Rule Book. The total number of claims and the total dollar value claimed for each commodity was determined. Each com-

to Loss and Damage Prevention

modity claim was then broken down into amounts chargeable to loss-damage-delay and carload-LCL. This information was listed on prepared statement forms by commodities in order of the dollar value of the claims received.

Following this, a study was made of commodities showing the highest claim totals, except No. 1, Grain: 4, 5, 6 and 7, Fresh Fruits and Vegetables; and 36, All other Manufactures and Miscellaneous Articles. These categories were eliminated because, with the incomplete data available, it was not possible to make a worthwhile analysis on these commodities.

Commodities receiving special study were:

No. 2, Flour, Other Mill Products, Feed, N.O.S.; No. 26, Automobiles, Motor Vehicles, Tires, Parts and Accessories; No. 27, Furniture (New); No. 28, Newsprint; No. 31, Food Products, N.O.S., in cans and packages, not frozen; and No. 41, Freight Forwarder Traffic.

For the manual analysis phase, the project team recorded the movements showing repeating claims, repeating shipper-consignee combinations, and cause. From the data developed, an analytical report was prepared listing major trouble spots and relating current statements to those for previous months. This report was forwarded to the appropriate department and region for corrective action.

Commenting on the effectiveness of the analyses, the system supervisor of freight loss and damage prevention noted that the "monthly summaries have been most helpful in pinpointing the repeaters."

The manual operation continued for 10 months. During that time the project team decided that a mechanical operation would be feasible, and that a complete and factual analysis of all commodities and causes could be made when the investigation was completed and the claim paid. As a result of the manual-operation experience, forms were redesigned, written procedures compiled for investigators and coding clerks, and procedures and codes developed for the IBM operation.

Last September 1, the analysis branch switched to a mechanical operation, permitting the detail necessary for analysis to be obtained by data processing equipment. Several changes in procedures were made.

The six-part claim registration form was redesigned and reduced to a five-part form, the first copy of which is the analysis branch source document. Other documents used as analysis branch sources are: one copy of a new two-part form for immediate pay claims, and a new one-part form for debits from foreign lines. The source documents are prepared when claims or debits are received. Source documents are completed when claims are paid or debits cleared. The documents are forwarded daily by regional offices to the coordinator, loss and damage analysis, Montreal. Checks are in effect to assure that all source documents are received.

The source documents provide information about: consignee; shipper; commodity (F.C.D. No. and full name); origin, destination; date of shipment; car number; dunnage, including bracing and type; type of container; routing; cause, F.C.D. No., and any additional information available; and type of traffic (CL, LCL, FF, CN piggyback, highway carrier piggyback); amount settled; and the period in which the claim was settled.

The analysis branch codes this information for IBM purposes and enters the code on the source document.

The customer code (consignees and shippers) includes some 700 names of sources that have contributed a large volume of claims in the past. This will be added to as the need arises.

The commodity code, based on ICC commodity classification, consists of about 350 listings. CN feels that the extensive listing is necessary because the 41 commodities of the Freight Claims Division list are too general to be of much help in analysis. For example, CN breaks No. 31 of the F.C.D. list, "Food Products, N.O.S., in cans and packages, not frozen," into four groups: "Food Products in Cans," "Food Products in Glass," "Food Products in Packages," and "Food Products, N.O.S." An even more extreme example, F.C.D. No. 36, "All other Manufactures and Miscellaneous Articles," has been broken into 75 significant commodities, and provision is made for others.

For the origin-destination code, all CN, Duluth, Winnipeg & Pacific, Central Vermont and Grand Trunk Western stations (approximately 6,700 in all) have been given code numbers, as have stations with repeated claims on other roads. The dunnage and bracing code provides for 10 types, such as bulkheads, inflatable dunnage, and steel strapping. About 20 types of containers are coded. Routing codes are confined at present to local and interline.

For coding in the cause category, investigators have been asked to show all additional information possible, to avoid routine charging to F.C.D. causes 1-2-3-4-5 and 11, Unlocated and Concealed Loss and Damage, and Damage on Account of Improper Handling. For this category, codes will be developed to tie in the type of damage with shippers-consignees-origins-destinations - bracing and containers. The other F.C.D. causes —such as defective equipment, improper refrigeration or ventilation—have presented no problems in coding.

Type of traffic is coded as carload, less carload, freight forwarder and the various types of piggyback.

One point Mr. Stirling stresses is that "The analysis function has not and will not alter, on our road, the very close and harmonious day-to-day working arrangements between the freight claim offices and the prevention forces. The daily problems will continue to be handled directly by headquarters and regional freight claim officials with the appropriate departments."

Yellow Doors Mean Newsprint

To highlight its commodity-by-commodity approach to the problem of cutting down freight loss and damage, the Canadian National has assigned some 800 specially upgraded box cars to exclusive handling of newsprint. These cars are distinguished by side doors painted a bright yellow.

Most of the newsprint loaded into Canada moves to U. S. destinations. Thus, if the experiment is to be successful, the CN has advised its U. S. connections that "yellow-door" box cars "should be returned promptly, preferably empty, or if loaded in accordance with Car Service Rules loaded only with Class A commodities that will not downgrade them."

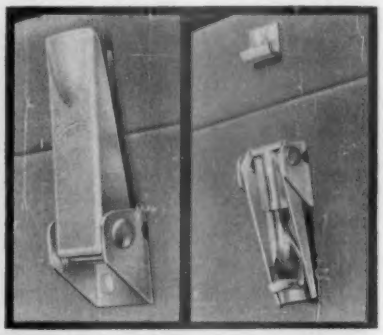
New Products Report

Lading Anchor

A new heavy-duty lading anchor, just released after extensive service tests, is claimed to be particularly effective in eliminating load-shift problems in flat and gondola cars. The anchor, which can be installed on new or existing equipment, swivels 360 deg; recesses below car floor level when not in use; can be used with cable, chain or steel strapping. *Midland Co., Dept. Anchor-RA, 1000 Pershing Rd., Waukegan, Ill.*

Load-Holder

A new adjustable section is described as allowing a variation of up to 16 in. in length of "load-holder" spring-loaded, telescoping steel tubes designed to fit into perforated hat-section belt rails in highway or piggyback trailers. With the extension, the manufacturer says, the loads will fit any vertical or horizontal dimension from 78 in. to 94 in. *Cargo Stablilizing Devices, Inc., Dept, RA, 8242 McCormick Blvd., Skokie, Ill.*



Container Latch

A new light-duty container latch designed for use on reusable shipping containers, transit cases and component assemblies has an adjustable drawhook which stows flat within the handle when the latch is fully open. The latch is described as a "clean and simple unit, with no gears or cams to freeze or jam, no protruding wings to break, and provision for security wiring." *Camloc Fastener Corp., Dept. 5J-RA, Spring Valley Rd., Paramus, N.J.*

Multi-Level Auto Loader

A new multi-level loader and unloader for automobile rack cars is claimed by the manufacturer to include a number of new features. It is available either in fully mobile models, equipped with chassis and engine, which can be driven right up to rail cars; or in limited-mobility, caster-equipped models for use on loading docks and similar locations.

Reinforced aluminum skids, 28 in. wide, provide inside track width of 38 in. and outside width of 92 in., which makes it possible to load and unload every type of foreign and domestic automobile without change in skid widths.

The device has a car-loading height of from 42 to 14 ft; length of 47 ft (reducible to 34 ft for storage); and width of 9 ft. Operation can be manual or powered, depending on the needs of the purchaser. *Westland Trailer Co., Dept. RA, 2300 N.W. Nicolai, Portland, Ore.*

Moisture-Resistant Package

"Barrier carton" is said to minimize absorption of moisture in shipment of low-hydrogen type electrodes. The new package, usable where close control of moisture content must be achieved, utilizes an inner layer of aluminum foil in corrugated cardboard. Contents are said to absorb only about one-tenth as much moisture as the contents of regular cartons. *Air Reduction Sales Co., Dept. RA, 150 East 42nd St., New York 17, N.Y.*

Vinylfilm Container

A new low-cost vinylfilm is claimed by the manufacturer to be capable of converting any railroad car, truck or ship's hold into a sanitary container for liquids or foodstuffs. The film, available in thicknesses of three to 16 mils and widths of 36 to 72 in., at a price of 60 to 70 cents per pound, is said to meet all applicable federal Food & Drug Administration sanitary standards. *Goodyear Tire & Rubber Co., Dept. RA, Akron, Ohio.*

Greater power in the mill

means longer life on the rails

Edgewater rolled steel wheels are produced on the world's most powerful circular rolling mill. The extra power permits the entire forging and rolling process to be performed without intermediate heating. Finishing the rolling at relatively low temperature produces rims with fine grain structure, and makes the wheels tougher and harder.

Because of this, Edgewater wheels give you longer life under heavy loads and high speeds.

Edgewater Steel Company

P. O. Box 478 • Pittsburgh 30, Pa.

TRAFFIC MANAGERS LIKE COMPULSORY ARBITRATION (*Continued from page 13*)

to "all carriers"; M. A. York, traffic manager, E. W. Bliss Co., Salem, Ohio, to "any public or quasi-public utility."

From Canada—where a nationwide rail strike has just been temporarily averted by government action—Fred Ainsworth, traffic manager of Husky Oil & Refining, Ltd., Calgary, Alta., expresses the opinion that "no labor group should have the power to tie up a public utility of any kind, whether it be transportation systems, light, water, police or fire protection."

Other shippers, while favoring the principle of compulsory arbitration, think its application must be carefully safeguarded. For example, W. C. Pine, manager of traffic and transportation for the DeLaval Separator Co., Poughkeepsie, N. Y., would resort to it only "after collective bargaining had failed." R. C. Stockton, general traffic manager, Stewart-Warner Corp., Chicago, predicates approval of the idea on the assumption that "management and labor could agree on what items were arbitrable and what were reserved for management's decision."

Still others—such as C. T. Coy, traffic manager, Eli Lilly & Co., Indianapolis, and A. C. Roy, director of traffic, Pennsylvania Glass Sand Corp., Pittsburgh—think the necessary safeguards lie in the composition of arbitration boards. The method of selecting a board, says Mr. Roy, "should protect all parties—carriers, public, and *all* employees." G. E. Roeder, TM, Portland (Ore.) Produce Merchants Association, says an "arbitration committee must be one which would not be influenced by political considerations." If, he adds, arbitration is to be compulsory, "every effort should be made to insure a just and reasonable decision."

On the negative side, the most frequent argument against compulsory arbitration is that it would introduce danger of further government interference in carrier affairs. The idea of compulsion may be "tempting," says T. C. Brand, traffic manager, Tribune Co., Chicago, but "once a task of this character has been turned over to the government it will stay there forever. With so many of our politicians zealously courting the labor vote, federally controlled arbitration could become political. Its extension to other large industries could readily follow. The government has enough power now."

F. J. Fruechtemeyer, TM, Andrew Jergens Co., Cincinnati, feels much the same way: "Compulsory arbitration would eventually result in government prescribing all wages and working conditions, which would be only a fraction removed from government ownership and operation, and would deprive both labor and management of their rights in a free economy."

Another possible danger of compulsory arbitration is that "its prospect might influence one or both parties to refuse to reach a settlement, in the hope that it could obtain more through arbitration than through negotiation." That's the opinion of F. C. Wardenburg, director, traffic department, E. I. du Pont de Nemours & Co., Wilmington, Del. It's supported by J. B. Hedges, traffic manager, Manufacturers Association of Connecticut, West Hartford, who writes in part: "Compulsory arbitration would have a tendency to tempt both labor and management into trying to secure their goals with government backing."

"Railway labor relations," Mr. Hedges adds, "have often been conducted with far too much advertising fanfare and not enough reliance on day-by-day enlightened industrial relations work." More publicity might, however, be desirable for reports of fact-finding boards prescribed under present laws, in the opinion of Messrs. Wardenburg and Fruechtemeyer.

C. F. Wulff, vice president of Cincinnati's Kirk & Blum Mfg. Co., is opposed to "anything compulsory in a free enterprise system." J. G. Robison, GTM, Pennsalt Chemicals Corp., Philadelphia, dislikes "any compulsory recommendation of a third party"; and F. L. Partridge, executive secretary, Burlington (Iowa) Shippers Association, believes "such delicate and involved matters should be left to railroad management. The moment you involve the public, generally, the more involved the subject becomes."

A third group of respondents takes a middle-of-the-road stand, disliking compulsion but favoring some legal changes to increase chances of settling labor disputes short of a strike.

One of these, A. G. Anderson, general traffic manager, Mobil Oil Co., New York, advocates the position taken by the User Panel of the Transportation Association of America: "Amend the Railway Labor Act to provide that, following release of the recommendation of a Presidential fact-finding board, no strike shall be taken until the recommendation has been put to a vote of the union members by secret ballot under proper supervision, with no interference, and with both management and union leaders allowed to present their respective views to voting union members prior to the balloting."

V. M. Stechishin, manager of the Manitoba Transportation Commission, Winnipeg, after summarizing arguments on both sides, concludes that "compulsory arbitration is justified where there is reasonable evidence that a proposed strike will leave users of rail transport with no reasonable alternative. Where these conditions are not in evidence, the public should permit settlement of the dispute between the parties concerned."

Compulsion should be a last resort after normal bargaining processes have failed, "and then only if the strike situation would cause a national emergency," in the opinion of D. F. Hensley, traffic manager, Tung-Sol Electric, Inc., Newark, N. J. "Both sides, but particularly management, have too much to lose under compulsory arbitration."

Shippers' Guide

Chesapeake & Ohio

. . . Car Line Change

Has inaugurated combination LCL refrigerator car, Fridays, from Richmond, Va., to Detroit and Chicago. This car was incorrectly reported as having been discontinued in this column in RA, Nov. 28, p. 69.

Delaware & Hudson

. . . Piggyback

Has leased to Kenosha Auto Transport Corp. seven acres of land at its Colonie, N.Y., shops, for use as a reception and distribution center for Rambler automobiles piggybacked from Kenosha, Wis., via C&NW, E-L and D&H. From Colonie, the autos will be trucked to upstate New York and New England. Traffic is expected to average three rail cars, or 36 autos, per day initially; reach 10 cars, or 120 autos daily, by February 1961.

Illinois Central

. . . TOFC Cars; Facilities

Has acquired six bi-level and 11 trilevel cars for handling setup automobiles; and completed construction of bi- and tri-level loading and unloading ramps at Chicago, Birmingham and Memphis. Has also completed TOFC ramps at Cherokee, Iowa, and Bloomington, Ind.

. . . Traffic Calendars

Traffic offices have available for distribution pocket-size engagement calendars covering period Jan.-June 1961; and desk-size calendars for the full year 1961.

Pennsylvania

. . . Schedule Change

Has shortened its TrucTrain (piggyback) schedule to St. Louis by more than four hours from New York and more than three from Philadelphia. Truck trailers now leave South Kearny, N.J., the New York terminal, on Train TT-3 at 10:45 p.m., one hour later than previously, and arrive East St. Louis at 2:45 a.m. second morning, three hours 15 min earlier than before. Trailers leaving Philadelphia on a connecting train at 10:45 p.m. are picked up by TT-3 at Harrisburg.

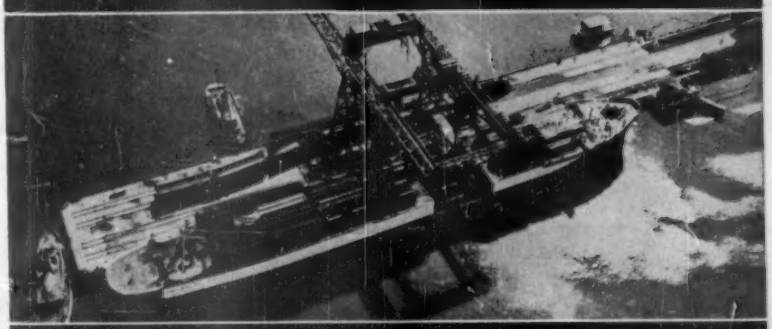
Traffic Publications

HEAVY DUTY TRUCK FACTS AND FACTORS (12 pages, illustrations); PROPER TRUCK SELECTION (8 pages, illustrations); and INSTRUCTORS' MANUAL for industrial truck operators' training program (20 pages, illustrations). Au-

(Continued on page 44)

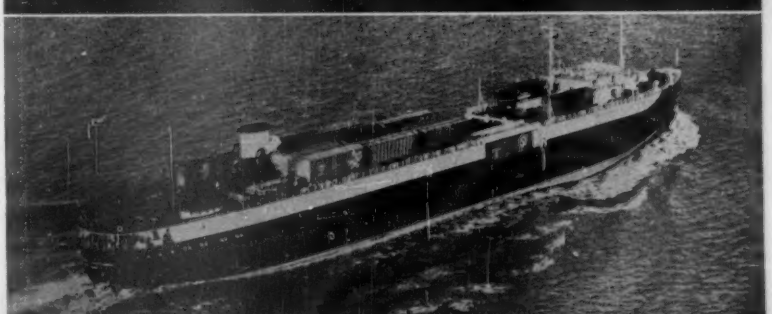
DOES it always pay to specify the low-cost carrier?

This low-cost carrier gives high grade transportation!

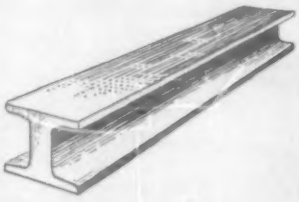


It's time to take advantage of 'inherent advantages'!

Float your inventory!



SEATRAIN LINES General Offices: 595 River Road, Edgewater, N.J.
Offices in: Boston, Savannah, New Orleans, Houston, Dallas, Philadelphia



For shipping beams

or creams

or glass that gleams

The better way is Santa Fe

No matter what you ship call the nearest Santa Fe Traffic Office and let the "railroad that's always on the move toward a better way" go to work for you.

Santa Fe

TRAFFIC PUBLICATIONS *(Continued from page 43)*

tomatic Transportation Co., Dept. RA, 149 West 87th St., Chicago 21.

These are the latest in Automatic's series of brochures on industrial truck selection, use and operation.

LOOK TO BALTIMORE. 4 pp; illustrations; maps. Traffic Department, Baltimore & Ohio RR, Baltimore 1, Md.

Describes the advantages of the B&O's Marley Neck industrial area, near Baltimore.

HANDY RATE CHANGE CALCULATOR. 16 pp. Institute for Business Research, 49 West 57th st., New York 19. $1, with quantity discounts.

Gives "at a glance" the exact percentage of change resulting from revisions in classification or exception ratings.

HANDBOOK OF THE DELAWARE RIVER PORT. 72 pp.; illustrations; maps. Delaware River Port Authority, Bridge plaza, Camden, N.J.

Contains current information on facilities and services at Delaware River ports, including Philadelphia, Chester, Marcus Hook, Wilmington, Trenton, Camden and Gloucester.

INSTRUCTION MANUAL FOR DAMAGE PREVENTION WITH SPARTON EASY LOADER (SEL). 16 pp.; illustrations. Sparton Railway Equipment Division, 17333 Healy ave., Detroit 12, Mich.

Describes proper use of the conventional and fully adjustable Sparton Easy Loader load protection systems for freight cars.

Communication & Signal Section, AAR, Is Formed

A merger of the Signal Section and Communications Section, AAR, will become effective Jan. 1. The combined group will be known as the Communication and Signal Section, AAR. R. C. Steele, engineer of signals, Canadian Pacific, will be the new section chairman. Mr. Steele, former chairman of the Signal Section, will be assisted by first vice chairman S. W. Miller, superintendent communications, Nickel Plate (Communications Section vice chairman), and second vice chairman H. B. Garrett, signal engineer, Southern Pacific (Signal Section second vice chairman). Secretary of the new C&S section will be A. H. Grothmann, secretary of the Communications Section. R. H. C. Balliet, secretary of the Signal Section, is retiring at the end of this year. L. E. Kearney, communications engineer of the Communications Section, will be engineer communications and signals of the new section. P. H. Foley, assistant to chief engineer, Burlington Lines, will be assistant engineer communications and signals.

The committee of direction of the new C&S section will be composed of 10 members of the Signal Section CofD and 6 members of the Communications Section CofD. (Mergers and eliminations of the 9 Signal Section and 5 Communications Section committees have produced 10 new committees.) They are: 1—wire and cable lines; 2—practices and operations; 3—electronics; 4—radio; 5—instructions and shop practices; 6—design; 7—inside plant; 8—highway grade crossing protection; 9—transmission; and 10—interlocking, traffic control and block signaling.

While the former Signal and Communications sections had been told not to hold annual meetings next year, sources close to the new C&S section indicate that a petition may be sent to the AAR requesting permission to hold an annual meeting in October 1961. By then, it is hoped that railway revenues will be much improved.

THE TEXAS & PACIFIC RAILWAY COMPANY

BRT, ORC&B to Vote on Merger in '61

Separate referendums will be conducted by the Brotherhood of Railroad Trainmen and the Order of Railway Conductors & Brakemen early in 1961 to seek membership approval of a proposed BRT-ORC&B consolidation (RA, Sept. 26, p. 9).

Amalgamation committees of both organizations have been working on details of the merger and only "certain administrative details" remain to be ironed out, according to W. P. Kennedy, BRT president. Directors of both organizations voted in favor of the merger earlier this month.

Union spokesmen said that a majority vote by each membership in the referendum will determine acceptance or rejection of the proposal. J. A. Paddock, ORC&B president, added that "certain actions on the part of individual [ORC&B] locals" will be required but the "referendum by the membership will be the controlling factor."

Mr. Paddock explained that membership approval of the proposed merger would not mean "absorption of one organization by the other." The 225,000-member combination would be a "new structural body," he added, "using the Trainmen's name and existing organizational facilities to get started."

He noted that "we cannot longer afford jurisdictional disputes" and expressed the hope that "if we do a good job [in this merger] it will have some influence on further mergers."

"The key principle of the merger," according to a statement issued by Mr. Paddock and BRT President Kennedy, "is the maintenance of the rights of each craft and class of employees which will be represented by the combined organization."

The new Brotherhood of Railroad Trainmen will be headed by Mr. Kennedy. Mr. Paddock will assume the post of "assistant president or executive assistant."

Railroading After Hours with Jim Lyne

PICKETING THE ECONOMISTS—I hear that a bunch of transportation economists and analysts are planning a meeting in St. Louis, December 27-29, while the American Economic Association is holding its annual convention.

The purpose is to start a national organization of transportation economists—and also to draw attention of AEA members to the existence of important economic problems in transportation which top-flight economists have been largely ignoring.

A generation or so ago, most noted general economists were also competent transportation economists. Nowadays the big shots in economics tend to leave transportation problems exclusively to the attention of a few able and devoted specialists. A little peaceful picketing of the AEA by such specialists wouldn't do the general economists any harm. It might awaken their interest, and possibly even their consciences.

CITIES IN TROUBLE—I've just been looking over a tabulation, showing population changes, 1950 to 1960, in cities over 100,000. The shifts are nothing short of amazing. What concerns me is the fact that there are few if any alterations in the pattern of railroad facilities to correspond with the changed geography of customers' locations.

Quick changes occur in the highway pattern, adjusting it to population movement—but it's a much slower business to accommodate railroad facilities to these changes. The reason, of course, is that there are unlimited public funds available for highway purposes. This, to my way of thinking, is a vitally important but seldom-mentioned aspect of the "railroad problem."

You certainly cannot hope to keep railroad facilities competitive in a time of dynamic change so long as there is unlimited money for highway alterations and additions—and only pennies to spend for equally important alterations in the railway pattern.

RATE BUREAUS—So-called rate bureaus come in for criticism from time to time—usually by people who have never seen these groups in operation; and who do not realize how indispensable their work is to effective inter-railroad transportation.

As a step toward improved understanding of rate bureau functioning, the General Freight Traffic Committee (the Eastern lines' cooperative rate organization) held its regular monthly meeting in Pittsburgh in November—and, through the Pittsburgh Traffic Club and other transportation organizations in the area, had as guests more than 100 professional students of transportation. Chairman Orie Schultz explained the committee's work to the students and answered their questions.

WHO'S PRESIDENT?—The other evening a half-dozen top-rank railroaders were lingering over their after-dinner coffee, and one of them challenged the group to name the presidents of two of the nation's largest industrial corporations. All of them could name the chairmen of these two great companies, but not one of them was able right off the bat to come up with the presidents' names.

"I have made my point," said the fellow who asked the question—"and it is this: that the day of the all-powerful chief executive in big industrial companies has passed. The top man today is, really, the coordinator of a management committee, not a czar. The day of the chief executive who dwarfs all his subordinates in salary and authority belongs to the past."

What do you think? It's an interesting and significant observation—but not one that can be accepted as final without a lot of checking. And, if it's true, is the development good or bad?

GREETINGS—My colleagues and I extend our wishes for a prosperous 1961 to all our readers, including those who seldom agree with us. Good-will isn't a matter of unanimity of opinion, but comes from mutual recognition of sincerity of purpose in the pursuit of goals which advance the general welfare. All of us would be better off if we would save up our combativeness for use on the scalawags who really don't want to advance the welfare of our country and the human race; but only their own, and the heck with all others'.

Wabash Tests Trailer Lift

A new lifting assembly to lift trailers in salvage operations and loading and unloading from flat cars has been successfully tested by the Wabash at its Decatur, Ill., car shop, and is now in service. The Broderick & Bascom Rope Co., St. Louis, Mo., in cooperation with major trailer manufacturers and railroads, completed the basic design and initial fabrication work. The actual demonstration lift was seven tons. The assembly is applied by lowering over the trailer. The side rails are lined up along the lower edge of the trailer sides. Snubbing chains pass under the trailer through the opposite side rail and are tightened with ratchet load binders. Adjustment for center of gravity, if needed, is made by loosening the binders, sliding the side rails to position, and retightening the binders. The M1-BT 10 ft braided wire rope slings attached to the lifting beam consist of eight parts of ½ in. rope. The twin thimble fittings allow the rope to run completely around the thimble instead of being socketed in zinc at both ends. The entire assembly weighs 1,500 lb, and has a rated capacity of 80,000 lb.

UP Announces Reorganization Into 3 Operating Divisions

Three self-contained operating divisions, each headed by a chief executive officer, will be set up by Union Pacific in an organizational realinement effective Jan. 1.

The divisions—transportation, natural resources and land development—are being formed to "facilitate the orderly and profitable growth of each of the major categories of Union Pacific business, to provide greater flexibility to meet rapidly changing economic conditions, and to provide for development of specialized employee talent needed to meet these conditions."

A. E. Stoddard, president of UP since 1949, will continue as chief executive officer of the Transportation Division, which will include all railroad plant and right-of-way and affiliated companies related to railroading. As senior executive of the company, he'll also contiue to have supervisory responsibilities with respect to the other two divisions.

L. S. Osborne, now vice president—oil development, will head the Natural Resources Division, which will be responsible for all oil and mineral activities of the company.

A. C. Ritter, now general manager of properties, will become chief executive officer of the Land Division, which will administer all real estate activities and all company lands except those assigned to the other divisions.

The Transportation and Land Divisions will be based in Omaha, the Natural Resources Division in Los Angeles.

A joint statement by E. Roland Harriman, board chairman; R. A. Lovett, executive committee chairman; and Mr. Stoddard noted that "demands for specialized management in the company's transportation, natural resources and land development activities have increased vastly in recent years and are expected to become even greater in the years ahead," for several reasons:

- The railroad itself serves the fastest-growing region in the nation, and with continuing growth in the West, "opportunities for expansion and development of transportation activities will be greater than ever before." Requirements for top-level management directed primarily toward railroad and allied interests "will inevitably increase if we are to retain and expand our share of the transportation market."
- With substantial investments in oil and gas operations, UP "has faced multiplying requirements for technological and administrative attention in this field. In addition, the development of other mineral resources in lands owned or controlled by Union Pacific offers expanded opportunities for growth."
- UP land holdings "have become increasingly important assets . . . The resultant opportunities for growth will become greater in the future and will bring with them complex and continuing management problems."

Union Pacific said it's expected that the organizational program "will expand the need for executive and other talent and result in improved opportunities for all employees seeking advancement."

World Railways Available In New 1960-1961 Edition

World Railways, which in previous editions has solidly established its position as the primary reference source of data on railway operation and equipment throughout the world, is now available in a new edition. For *World Railways 1960-1961* editor and compiler Henry Sampson has revised and brought up to date a mass of information: 125 pages of tabulated data on 1,500 railways in 160 countries, covering: rail gage, route and track length, system of electrification, number and type of motive power and rolling stock units, traffic, physical characteristics, finances, etc. There is also new material on railway development and manufacturing facilities, diesel engines, and a separate section on underground railways. *World Railways 1960-1961* (Sixth Edition) is available at $20 per copy from Simmons-Boardman Publishing Corp., 30 Church St., New York 7.

MARKET OUTLOOK *at a glance*

Carloadings Drop 1.0% Below Previous Week's

Loadings of revenue freight in the week ended Dec. 10 totaled 517,653 cars, the Association of American Railroads announced on Dec. 15. This was a decrease of 5,283 cars, or 1.0%, compared with the previous week; a decrease of 125,212 cars, or 19.5%, compared with the corresponding week last year; and a decrease of 71,700 cars, or 12.2%, compared with the equivalent 1958 week.

Loadings of revenue freight for the week ended Dec. 3 totaled 522,936 cars; the summary, compiled by the Car Service Division, AAR, follows:

REVENUE FREIGHT CARLOADINGS
For the week ended Saturday, Dec. 3

District	1960	1959	1958
Eastern	76,341	90,919	87,731
Allegheny	82,302	122,867	99,816
Pocahontas	42,651	52,682	52,674
Southern	107,314	119,208	117,023
Northwestern	56,316	92,029	65,654
Central Western	110,593	119,882	122,740
Southwestern	47,419	51,995	49,246
Total Western Districts	214,328	263,906	237,640
Total All Roads	522,936	649,582	594,884
Commodities:			
Grain and grain products	53,129	50,613	52,267
Livestock	4,820	5,718	5,369
Coal	94,663	120,746	122,812
Coke	5,661	10,680	8,780
Forest Products	34,008	41,328	38,136
Ore	13,323	51,472	14,960
Merchandise l.c.l.	31,059	38,506	42,672
Miscellaneous	286,273	330,519	309,888
Dec. 3	522,936	649,582	594,884
Nov. 26	471,400	574,229	539,489
Nov. 19	567,299	629,895	619,754
Nov. 12	564,590	638,333	644,531
Nov. 5	599,493	561,223	658,442
Cumulative total, 48 weeks	28,561,573	28,803,605	28,161,278

PIGGYBACK CARLOADINGS.—U. S. piggyback loadings for the week ended Dec. 3 totaled 10,960 cars, compared with 8,816 for the corresponding 1959 week. Loadings for 1960 up to Dec. 3 totaled 516,028 cars, compared with 386,251 for the corresponding period of 1959.

IN CANADA.—Carloadings for the ten-day period ended Nov. 30 totaled 98,275 cars, compared with 66,723 for the previous seven-day period, according to the Dominion Bureau of Statistics.

	Revenue Cars Loaded	Total Cars Rec'd from Connections
Totals for Canada		
Nov. 30, 1960	98,275	34,141
Nov. 30, 1959	88,740	34,887
Cumulative Totals		
Nov. 30, 1960	3,389,399	1,280,324
Nov. 30, 1959	3,573,742	1,292,564

New Equipment

FREIGHT-TRAIN CARS

► *Rio Grande.*—Improvements program for 1961 will involve expenditure of $6,250,000. Major items in $2.1-million equipment program are purchase of 150 70-ton, 2,000-cu. ft. capacity covered hopper cars equipped with roller bearings; acquisition of a dynamometer car and diesel engine test facility to permit continuing investigation into use of inexpensive fuels under adequate testing procedures; and improvements to existing equipment, including installation of transistorized VHF equipment in 28 cabooses, to complete radio-equipping of all cabooses operating in mainline service.

PASSENGER-TRAIN CARS

► *New York City Transit Authority.*—Ordered an additional 60 subway cars from St. Louis Car Co., at a cost of approximately $7,300,000. This brings to 550 cars the total now on order at St. Louis Car as part of NYCTA's equipment modernization program. Deliveries will be made at the rate of about 100 cars a quarter.

PIGGYBACK

► *Western Fruit Express.*—Doubled an original order for 10 mechanically refrigerated semi-trailers to be used in a pilot piggyback operation hauling perishable commodities over Great Northern routes. The 20 40-ft aluminum-van trailers will be built by Brown Trailer division of Clark Equipment Co.

New Facilities

► *Milwaukee.*—Improvements to fixed facilities in 1961 will involve expenditure of approximately $6,515,600. A major project, scheduled for completion next year, provides for further expansion of communications facilities in connection with installation of a new electronic data processing system.

► *Rio Grande.*—Will spend more than $4 million on improvements to facilities in 1961. Largest expenditure will be $2.1 million for installation of 35.5 miles of 136-lb. welded rail between Cisco and Mounds, Utah; and replacement of rail in sidings at three points. Expenditure of $802,210 for improvements to signals and interlocking plants will include completion of CTC by installation of modified CTC between Kobe and Salida, Colo., and additional CTC installation between Colton and Soldier Summit, Utah. Centralization of Pueblo, Colo., terminal facilities at a cost of $618,160 will involve transfer of mechanical department facilities from Walker Yard to West Yard and construction of new one-spot repair truck and five-unit diesel fueling facility. Rio Grande will also spend $175,480 for improvements to bridges, trestles and culverts; and $330,270 for purchase of roadway machinery and tools, including three ¾-cu. yd. dragline shovels, two bulldozers, split head tamper and six tie removers.

Whitten Outlines Cost Theory

► **The Story at a Glance: A new theory of transportation cost-finding would, according to its author:**

- **Consider utilization of capacity as a characteristic of cost;**
- **Provide a tool for managerial application of marketing strategy;**
- **Permit fair comparison of costs incurred in performing similar functional work by different modes of carriers; and**
- **Allow assessment of the economic cost of government investment in and operation of transportation facilities.**

"Rather complete departure from many of the concepts now held about railroad and other transport costs" is a major feature of a new cost-finding theory proposed to the Transportation Research Forum of New York on Dec. 6 by Herbert O. Whitten, senior consultant—revenue research of the Chesapeake & Ohio.

Mr. Whitten's proposal is outlined, with explanatory graphs and underlying formulas, in a 52-page copyrighted booklet which he distributed to members of the forum. While material in that booklet is largely based on railroad examples, Mr. Whitten believes his theory can and should be applied to evaluation of all transport cost problems, "including both inter-modal and intra-modal competition and litigation."

Behind Mr. Whitten's proposal is what he describes as the recognition "by numerous students of railway cost theory that there are basic errors in theory" contained within the cost formulas used by the Cost Finding Section of the ICC.

Concurrently, "increased force of competitive pressure" has led to recognition that "better basic cost information must be obtained" than is provided in the 46-year-old Uniform System of Accounts for Railroads.

While Mr. Whitten gives the ICC full credit for "substantial contributions to knowledge in the field of railroad cost-finding," its present formulas err, he says, failing to recognize "utilization of capacity as a characteristic to be evaluated and applied to costing of various alternatives of pricing, equipment and service. . . . [Those formulas] are based on historical operating characteristics and reflect average utilization of facilities resulting from historical pricing methods. Costs have not been segregated in a manner which will permit evaluation of changes which might occur in operations from changes in pricing, equipment and service."

Specifically, he continues, it is impossible to determine from ICC formulas:

- The terminal cost reduction which might occur due to picking up and/or delivering several cars at one time as opposed to an "average" or single car. (It assumes two cars are twice as expensive to handle together as individually, which is not true.)
- The value to a railroad of multiple offerings of cars.
- The value, also to the railroad, of regularity of service. (An intermittent or seasonal user of rail service, or one whose requirements fluctuate greatly, may require nearly as much investment as the shipper who has a stabilized requirement, but it is impossible from existing ICC costs to evaluate what these characteristics of different shippers are probably worth to the railroads.)

The C&O analyst recognizes that adoption of his cost theories would "be contingent upon a complete revision of the Uniform System of Accounts and their modernization into functional cost accounting systems on a comparable basis." He also concedes that his theoretical approach "may require adjustment in some respects if and when application to a system of accounting is made." To provide a truly workable system, he states that he will welcome "further light" and "additional contribution by others."

But he insists that major revision of present accounting and cost-finding techniques is necessary to "provide a basis from which the rate of earnings may be determined for particular traffics (by either industrial or geographic segments) from facilities utilized in providing the service." It will also, he says, "provide a basis for more accurately evaluating present, probable and potential earnings from various alternatives of pricing, equipment and service as determined by utilization of facilities provided to perform that service."

Since his proposed system is applicable to any form of transport, Mr. Whitten believes it could be used to eliminate "the lack of comparability for costs of performing similar functional work by different modes of carriers." This, in turn, would reduce some of the handicaps under which both carriers and regulatory authorities presently operate because of inadequate cost knowledge.

"Within the framework of such an analysis," Mr. Whitten further suggests, "should be included comparable methods for analysis of federal investment and costs of operation for facilities provided from government funds to various forms and modes of transport and including methods of determining the unit costs of providing such facilities based upon the utilization of the capacity to the facilities provided. When such data is available,the total economic cost to the nation of providing alternative transport services may be assessed for the first time, and, at this point, transport data for the various modes may begin to be truly comparable."

Not Needed, Oilers Agree

Oiler members of TWU Local 1643 made railroad labor history last week. By a vote of 74 to 23, they acknowledged that the work they do is not needed in the operation of modern diesel-powered tugs in the railroad "navy."

Affected are seven railroads in the New York Harbor Carriers' Conference, 27 tugs and some 100 jobs. Harbor officers of the seven roads (PRR, NYC, NH, Lehigh Valley, Jersey Central, B&O and Bush Terminal) have long contended that oilers are no longer needed to stand watch with engineers now that dieselization has come to harbor tugboats.

The issue came to a head in 1959 when a railroad attempt to eliminate 125 oiler jobs resulted in a five-day strike. The strike was ended by an injunction from the U.S. District Court accompanied by an order to the roads to rehire the oilers involved. When the Circuit Court of Appeals overruled the rehiring provision, the railroads worked out the settlement with the union.

Under the agreement, jobs of oilers with less than 20 years service will be eliminated, but the men will get severance pay ranging from six weeks' wages for men with six years service to 50 weeks' wages for men with 20 years service. Oilers with 20 years of service with one railroad have the option of remaining with their employer, if they choose. There are 74 men in this category.

Letters from Readers

San Francisco, Calif.

To the Editor:

You may have heard of the efforts which we have been making for more than three years to discontinue the little-used "West Coast" and "El Dorado" passenger trains (between Sacramento and Los Angeles and between Sacramento and Oakland, Calif., respectively). The State Commission, by a three to two vote, refused us authority to discontinue the trains and eventually we were able to invoke the Interstate Commerce Act's section 13a (2) procedures.

The Examiner's proposed report was favorable and the Division 4 report unanimously adopts the Examiner's recommendation. The effectiveness of the ICC order was postponed by the filing of petitions for reconsideration; the petitions were denied by the Commission's order of Nov. 21, 1960.

The California Public Utilities Commission filed a civil action, No. 39584 in the United States District Court for the Northern District of California, seeking to review the Interstate Commerce Commission's decision and order and requesting a temporary restraining order to prevent the discontinuance of the trains pending review.

Arguments were heard before District Judge George B. Harris at San Francisco on Dec. 6 and 7, after which he concluded in a brief memorandum opinion to deny the P.U.C. request for a restraining order. Judge Harris cited the light use being made of the trains at the present time, the extensive consideration which the Interstate Commerce Commission had given the matter and the split within the State Commission itself (the State P.U.C. was divided, 3 to 2, in opposing the discontinuance), and concluded that good cause had not been shown for the extraordinary remedy sought.

So far as we know, this is the first time that a temporary restraining order has been sought to prevent a section 13a (2) train discontinuance.

Charles W. Burkett, Jr.
Assistant General Counsel
Southern Pacific

Dividends Declared

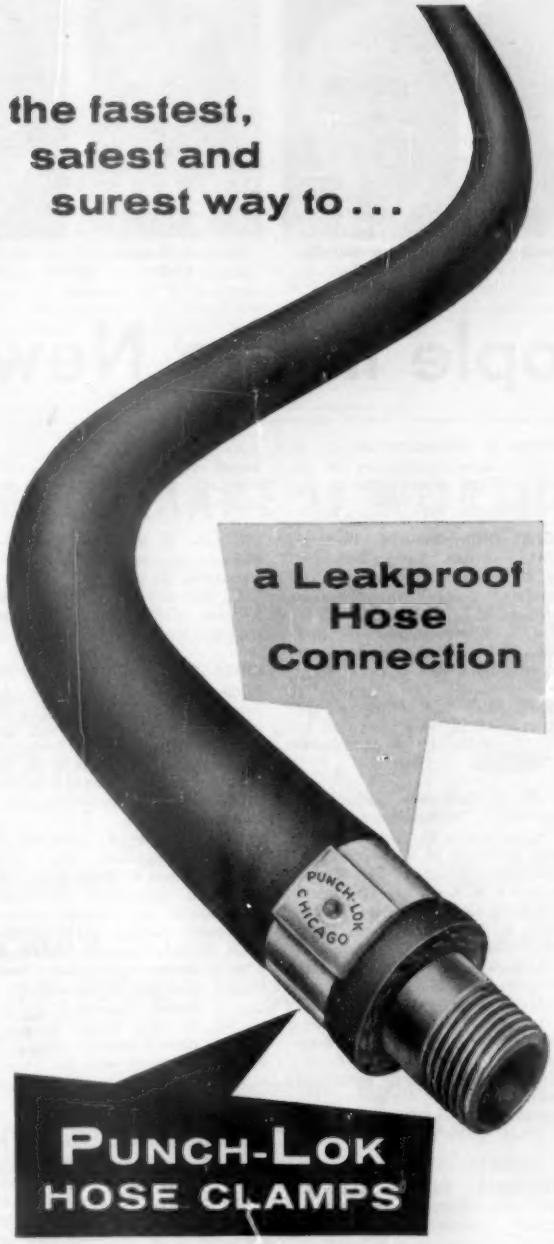
PITTSFIELD & NORTH ADAMS.—$2.50 semiannual, payable Jan. 3, 1961, to holders of record Dec. 16.

UNION PACIFIC.—30¢, quarterly; 40¢, extra, both payable Jan. 3, 1961, to holders of record Dec. 9.

WARE RIVER.—$3.50, semiannual, payable Jan. 4, 1961, to holders of record Dec. 16.

WESTERN MARYLAND.—common, 45¢, quarterly; 7% 1st preferred, 70¢, quarterly; 5% 1st preferred, 15¢, quarterly; 4% 2nd preferred, 40¢, quarterly, all payable Dec. 30 to holders of record Dec. 19.

WHEELING & LAKE ERIE.—common, $1.43¾, quarterly; 4% prior lien, $1, quarterly, both payable Feb. 1, 1961, to holders of record Jan. 6.



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People in the News

AKRON, CANTON & YOUNGSTOWN.—**F. M. Manson** appointed superintendent of car department and assistant superintendent, operating department, Akron, Ohio.

ATLANTIC COAST LINE.—**David C. Hastings,** superintendent, Potomac Yard, **Richmond, Fredericksburg & Potomac,** Alexandria, Va., has been appointed general superintendent terminals for the ACL, Jacksonville, Fla., effective Jan. 1. **H. V. Nelson, Jr.,** road foreman of engines, Ocala, Fla., appointed acting trainmaster, Dothan, Ala.

BESSEMER & LAKE ERIE.—**G. R. Pflasterer,** signal engineer, appointed staff assistant to chief engineer, Greenville, Pa. **M. L. Mannion** named signal engineer.

BURLINGTON.—**M. L. Zadnichek,** superintendent, Ottumwa (Iowa) division, transferred to the Chicago division, to succeed **E. D. Harville,** named assistant to vice president, operating department, Chicago. Mr. Zadnichek's successor is **I. W. Crist,** superintendent of terminals, Kansas City, Mo., who in turn is succeeded by **A. R. MacDonald,** assistant superintendent, Aurora division, North La-Crosse, Wis. **E. R. Craven,** trainmaster, Aurora, Ill., succeeds Mr. MacDonald. **J. A. Beebe,** superintendent of terminals, Lincoln, Neb., transferred to Dayton Bluff, Minn., to replace **M. I. Swennes,** retired. **William Loos,** assistant superintendent, Lincoln, replaces Mr. Beebe, and in turn is succeeded by **J. E. Bowman,** trainmaster, Galesburg, Ill. **J. F. Diebolt,** supervisor of contracts, Chicago, appointed assistant to vice president—contracts.

CANADIAN NATIONAL.—**Captain Dixon C. Wallace,** marine superintendent, Montreal, appointed marine superintendent of Newfoundland coastal services, succeeding **E. J. Healy,** promoted to operations manager at St. John's, Nfld.

Francis A. Gaffney, vice president and general manager, Grand Trunk Western, Detroit, promoted to vice president, highway services, Canadian National System, effective Jan. 1, 1961. **Harry A. Sanders,** general superintendent of transportation, GTW, named to succeed Mr. Gaffney.

CHESAPEAKE & OHIO.—**G. M. Seaton, Jr.,** director of labor relations, Huntington, W.Va., named assistant to vice president—labor relations planning, Cleveland. **M. E. Cridlin** appointed vice president—labor relations and **R. L. Bryant** named director of labor relations, both at Huntington, W.Va. **P. B. Roberson** appointed assistant cost engineer, Richmond.

M. F. Melrose, Jr., appointed engineer of tests, Huntington, W. Va., succeeding **C. M. Angel,** retired. Abolished position of assistant engineer of tests formerly held by Mr. Melrose.

CHICAGO & EASTERN ILLINOIS.—**Edward R. Hopkins,** special assistant, Bureau of Transportation, Post Office Dept., Washington, D.C., left the postal service on Dec. 10 to become traffic manager, passenger, mail, baggage and express, C&EI, Chicago.

CHICAGO & NORTH WESTERN.—**Harold C. Langerude,** assistant to the assistant vice president—sales and service, Chicago, appointed general southwestern agent, Phoenix, Ariz., to succeed **G. A. Langworthy,** Tucson, Ariz., retired. Mr. Langerude's successor is **Raymond M. Roth,** administrative staff officer in the office of assistant vice president—sales and service.

Frank P. Connoy appointed district sales manager—piggyback and barge, Minneapolis. **Richard C. Volkert** and **D. S. Skoglund** appointed industrial development agents, Minneapolis and Chicago, respectively. **Vern G. Russell** named general freight agent—grain M&StL division, Minneapolis.

W. L. Waleen appointed division engineer, M&StL division, Minneapolis.

J. E. Brehm appointed master mechanic, M&StL division, Cedar Lake, Minn. **L. N. Haskins** named master mechanic, St. Paul, with jurisdiction over the Twin Cities division and Sioux City, Iowa of the Nebraska division.

DELAWARE & HUDSON.—**John H. Phillips,** engineer of structures, Albany, N.Y., retired Dec. 1 and that position abolished.

DENVER & RIO GRANDE WESTERN.—**Paul D. Starr,** electrical engineer, Denver, appointed master mechanic, Salt Lake City, succeeding **Earl Fisher,** who retired Nov. 15. **Frank Robinson,** assistant electrical engineer, promoted to electrical engineer, Denver.

J. C. Borg and **J. G. Simpson,** freight traffic managers, Denver, appointed general freight traffic managers. Mr. Borg will have general supervision of freight traffic sales and service and Mr. Simpson, freight rates and divisions. **Clarence R. Lenning,** general freight agent, Denver, named traffic manager, St. Louis, Mo., succeeding **H. A. Robertson,** retired. **G. L. Nicolin** and **Cecil Pearson** appointed general agents at Denver and Boise, Idaho, respectively. **V. E. Haas** named assistant to general freight traffic manager, Denver.

FLORIDA EAST COAST.—**R. W. Wyckoff,** assistant director of personnel, St. Augustine, Fla., promoted to director of personnel, succeeding **George N. Holman,** who retired Dec. 1.

FRISCO.—Effective Feb. 1, 1961, **R. J. Stone,** vice president — executive department, elected vice president-secretary-treasurer, to succeed **E. R. Bolt,** who will continue in an advisory capacity until his retirement March 31, 1961.

L. I. Buffington appointed assistant to chief mechanical officer, Springfield, Mo.

INTERSTATE COMMERCE COMMISSION.—**Robert G. Rhodes,** chief, Section of Traffic Statistics, Bureau of Transport Economics and Statistics, Washington, D.C., appointed assistant director of the Bureau, succeeding **Edward Burns,** retired.

KANSAS CITY SOUTHERN.—**Gerald E. Riggs** appointed general agent, Birmingham, Ala., to succeed **Fred R. Lipscomb,** who retires Dec. 31. **Lawrence E. Futrell** named general agent, Fort Smith, Ark., effective Jan. 1.

Joe Hardin appointed district freight agent, Dallas, Tex., succeeding the late **Harry R. Whiting. Michael F. McClain** named general agent, Tulsa, Okla.

LOUISVILLE & NASHVILLE.—**W. A. Summers** appointed assistant auditor of disbursements, Louisville, Ky., succeeding **J. A. Graves,** retired.

MISSOURI PACIFIC.—Effective Jan. 1, 1961, **Thomas B. Arnold,** general freight agent, St. Louis, appointed assistant traffic manager, Los Angeles, succeeding **Glee C. Smith,** retired (RA, Dec. 5, p. 33). **Carl A. Becker** replaces Mr. Arnold.

MISSOURI PACIFIC FREIGHT TRANSPORT CO.—**H. A. Smith** appointed vice president-administrative; **M. J. Hrebec,** vice president-transportation and maintenance; **B. A. Nading,** general manager-transportation; **R. L. Allin,** general manager-maintenance; **A. M. Petrillo,** general manager-safety and employee relations, all at St. Louis. **H. M. Prater** named vice president-traffic, Houston, Tex.

NEW HAVEN.—**L. B. Gallagher,** terminal superintendent, Grand Central Terminal, New York, appointed special assistant to vice president, New York.

NEW YORK CENTRAL.—**Ernest C. Johnson,** general manager, Detroit, elected vice president, Chicago, effective Jan. 1, 1961, succeeding **Douglass Campbell,** vice-president, assigned to the public relations and advertising department, New York (RA, Aug. 29, p. 59).

NICKEL PLATE.—**F. J. McGuirk,** trainmaster, Cleveland division, Conneaut, Ohio, appointed assistant superintendent, Lake Erie & Western district, Muncie, Ind. **R. E. Kieser,** trainmaster, Peoria division, Frankfort, Ind., transferred to the Cleveland division. **J. A.**

Walker, trainmaster, Peru, Ind., succeeds Mr. Kieser.

Herbert M. Young, traffic representative, Pittsburgh, Pa., appointed division freight agent, Erie, Pa.

SOUTHERN PASSENGER ASSN.—**E. C. Littleton,** secretary, Atlanta, Ga., will succeed **M. B. Duggan** as chairman on Jan. 1, when the latter retires.

OBITUARY

Charles G. Sheffield, 68, retired general baggage agent, **Southern Pacific,** died Dec. 4.

Supply Trade

Rolf Lindenhayn, Jr. has been appointed western division manager of brush and railroad products for **National Carbon Co., Division of Union Carbide Corp.,** at San Francisco, Calif., succeeding **H. D. VanArtsdale,** who has assumed new responsibilities with Union Carbide International Co. Mr. Lindenhayn was formerly an electrode products salesman in Cincinnati, Ohio.

Norman W. Kimmel, plant manager of the Fort Wayne, Ind., division, **Dana Corp.,** has been appointed director of purchasing and production control, Toledo, Ohio.

Magor Car Corp. and **Magor Car Export Corp.** have announced the removal of their sales and executive offices from 50 Church Street, New York, to 660 Van Houten Avenue, Clifton, N. J., effective Dec. 9.

The assets of **Nice Ball Bearing Co.,** Philadelphia, a division of Channing Corp., have been acquired by **SKF Industries, Inc.**

Howard W. Brandt has been appointed vice president and group executive of **National Malleable & Steel Castings Co.,** Cleveland. Mr. Brandt was formerly vice president, Hydreco and Aurora divisions, **New York Air Brake Co.**

James S. Swann, chief product engineer of the **Standard Railway Equipment Division, Stanray Corp.,** has been appointed director of the company's newly formed **Transportation Equipment Research Group. George K. Knox,** formerly traffic analyst, Western Maryland, named transportation research analyst for the group.

William R. Butler, manager of castings sales, **Aluminum Co. of America,** appointed to the newly created post of manager of development divisions. He will direct the New Kensington, Pa., and Cleveland sales development organizations. New development managers named are: **Howard H. Nuernberger,** transportation; **Harry W. Fritts,** containers and packaging; **D. F. Kennedy,** consumer durable goods; **Edward T. Wanderer,** machinery and equipment; **E. H. Spuhler,** aero-space and military; and **L. M. Dunn,** building products and structures.

Richard E. Isaacson has been appointed controller, **Fairbanks, Morse & Co.,** succeeding **Bjarne R. Eng,** who has been named treasurer. Mr. Eng will continue as vice president. **Bernard A. Feuerstein** has been appointed secretary in addition to his duties as general attorney. **Chris E. Clauson** appointed vice president in charge of the scale division, Fair Lawn, N.J., and will continue as division general manager.

Industrial Traffic

Robert H. Foltz, assistant director of traffic for **Allied Chemical Co.,** has been appointed director of transportation of **Archer-Daniels-Midland,** Minneapolis, Minn., effective Dec. 1 and on Jan. 1 will succeed **Wesley C. Newman,** general traffic manager, who will retire.

Thomas R. Anderson has been named traffic manager and **William P. Rosso,** assistant traffic manager, of **Shatterproof Glass Corp.** of Detroit. Mr. Anderson was formerly traffic manager of Bendix Aviation Corp. Mr. Rosso was with the **Wabash** for 13 years.

Thomas H. Jones has been appointed assistant traffic manager, **Rohm & Haas Co.,** Philadelphia, in charge of tank-car leasing and operation.

As part of a general realinement of the traffic division of **United States Steel** the following appointments have been made: **James W. Ramsey, Jr.,** named general manager—traffic; **Harry L. Aufderheid,** general traffic manager; **W. M. Ernst,** assistant general traffic manager, Pittsburgh; **Harvey F. Noering,** traffic manager—coal chemicals; **Harry W. Huebner,** traffic manager—movement services and **K. Miles Potter,** manager—rate activity planning.

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Premium-rate Plan IV Chicago-Los Angeles container service proposed by the Santa Fe has run into unforeseen difficulties which have caused plans to remain indefinite. Originally set to begin in mid-November, the service contemplated third-morning delivery on the West Coast of containers carried in ATSF No. 7, a mail-express train. Elements of the trucking industry and a freight forwarder have protested the proposed rate.

Reading's proposed schedule for steam powered excursion trains in 1961 embraces 14 separate trips from April through October. The number of trips is likely to be expanded as communities along the line ask to participate either as points of origin, or as stop-over points. The Reading is increasingly directing these trips to the interests of the general public as well as the railroad fan.

PRR has sold air rights in Philadelphia to Penn Towers, Inc., for construction of a 30-story apartment building. Price was $2,500,000. The building will rise over PRR tracks leading to Suburban Station.

Tri-level rack cars are moving new automobiles on the Illinois Central between Chicago and Memphis and between Kankakee, Ill., (NYC interchange point) and Birmingham. Ramps have been installed at Chicago (Wildwood Yard), Memphis and Birmingham.

North Western trains 161 and 162 will make their last runs between Green Bay, Wis., and Ishpeming, Mich., on Jan. 13 if the ICC permits C&NW to drop the two trains. North Western claims that "crew expense alone is now about two and one-half times greater than passenger revenues" on these trains.

The 45th annual meeting of the Canadian Industrial Traffic League, at Toronto's Royal York Hotel, Feb. 14-16, will run for three days instead of the customary two. The extra time will be devoted to carrier-shipper panel discussions on the theme, "Reducing Distribution Costs." Donald Gordon, chairman and president, CNR, will address the League's annual dinner, Feb. 16.

A new trade group—the Bulk Packaging and Containerization Institute—has been organized to deal primarily with new concepts in shipping containers and practices. It expects to serve both users and manufacturers of many types of bulk containers not covered by existing associations. Officers will be elected and further organization plans discussed at a meeting in New York's Statler-Hilton Hotel, Jan. 19, 1961.

Corporate reorganization of the Bangor & Aroostook to permit the road to diversify into non-transport fields has been approved by BAR stockholders. "We are going after new business in an aggressive manner," said BAR President W. G. Robertson, "and we are looking at several very interesting organizations."

A giant four-faced clock, which has told the time atop the Portland (Me.) Union Station since 1888, is being offered free to any individual or organization that will move it. The timepiece became surplus when Maine Central abandoned the station. It occupies a 10-by-12-ft. glass house and requires a drop of 40 feet for a 1,500-lb. weight. Winding is a 15-minute job once each week.

Option to purchase the property it now operates under lease from the Chicago & Western Indiana will be exercised by the Belt Railway of Chicago. Reported purchase price: approximately $38,000,000. Under terms of the lease (which expires in 1962), BRC had the option of buying the C&WI's Belt Division on or before Sept. 1, 1962, by notice served on or before Sept. 1, 1961. C&WI is owned by Santa Fe, C&EI, Erie, Grand Trunk, Monon and Wabash. These same six roads—plus C&O, Burlington, Rock Island, IC, Pennsylvania, and Wisconsin Central (Soo Line) — own the BRC.

Great Northern properties in Glacier National Park, Mont., have been sold to Don Hummel, businessman and mayor of Tucson, Ariz. The transaction also includes the Prince of Wales hotel in adjoining Waterton Lakes National Park, Alta. Required approval of the U. S. Secretary of the Interior and the Canadian national park administration is being sought, and the transfer of GN hotels, motels, motor coaches and other properties held by the subsidiary Glacier Park Company will be effective (if approved) on Jan. 1, 1961.

Railroads aren't alone in their financial problems. Because of "low traffic" and for other reasons, two of the nation's largest common carrier trucking corporations have cut their fourth-quarter dividends. Pacific Intermountain Express pared its payout to 12½ cents from the 20 paid each previous quarter since May 1956. Consolidated Freightways, which paid 20 cents quarterly last year and in the first half of this, and 10 cents in the third quarter, omitted its fourth-quarter dividend entirely.

COMING . . .

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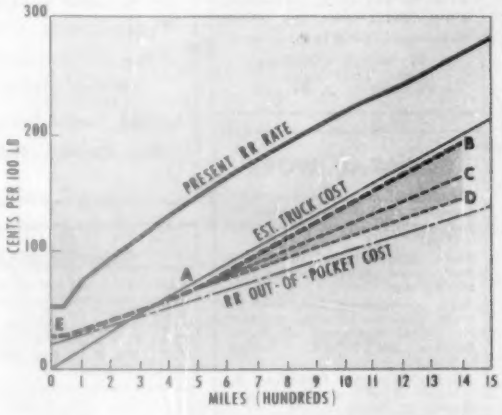
What Formula for Rates?

With all the discussion of political action necessary to rationalize and equalize transportation, taxation and working rules—there's still plenty that transportation people themselves (including their customers and regulators) could do to improve present chaotic conditions. Take, for example, the painful slowness with which railroad rates are being revised to conform to present competitive conditions in the transportation market.

It is not some malevolent devil that is retarding the necessary modernization. The difficulty lies instead in getting agreement among the three parties—railroads, customers and regulators—as to the principles which should be observed in doing the revising. If the parties could see eye to eye on the pattern which should be followed, the revision itself could come quickly. And the situation of the railroads would be greatly and instantly improved.



As a starter toward developing an acceptable pattern, we offer three suggestions, as follows:

1. *Recognize the commercial uselessness of the class rates* (and rates following the class-rate pattern) *and contrive substitutes for them which will give effect to rail costs as a "floor" and private truck costs as a "ceiling."* In the accompanying chart, the top line represents Class 45, which is far higher than the railroad and truck costs the chart portrays*. All railroad rates which bear such a relationship as this to railroad and truck costs are obviously useless.

*These costs will vary with different loads and as between territories. The costs charted here are only for the purpose of illustration.

2. *Recognize that, for the shorter hauls where railroad costs and truck costs are close together, railroad rates must be held down to a small margin above direct costs.*

Keeping railroad rates low in this area has encountered some criticism, to the effect that it amounts to "undercharging the short hauls at the expense of the long hauls." It is nothing of the kind. Traffic will not move at all by rail in this area unless rates are kept realistically low. Even at a tiny margin above direct costs, this traffic will make some contribution to "overhead" costs, which would otherwise have to be borne entirely by the long-haul tonnage.

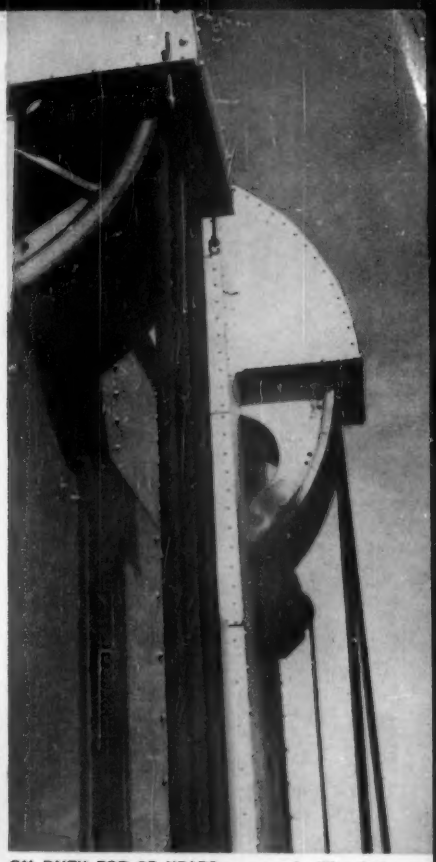
3. *Recognize that, where truck costs exceed rail costs* (to the right of point A on the chart), *it is economically justifiable for railroad rates to include a larger margin of profit than that expected from the shorter hauls.*

There are some who have contended that such rates would "discriminate" against the long-haul shipper. A little reflection will quickly dispel such an illusion. The railroads have to collect their full costs or go out of business. They have no alternative but to collect these costs wherever they can be collected without losing tonnage. As a matter of fact, the area ABC on the chart gives the railroads a restricted opportunity to practice "value of service" pricing, which most shippers favor. In this limited area, railroads can still make some rate concessions to their customers' "market competition." For example, as reference to the chart will make clear, it would be possible to charge the same rate from 900 miles to 1200 miles, and still not expose the tonnage to competition, or go below the railroads' own costs.

It would be our opinion that freight rates to the right of point A should usually follow the AB line, unless there are compelling reasons for dropping to the AC line or even to AD. One such compelling reason would be the existence of substantial long-haul tonnage which would be severely curtailed at AB rates.

How about the above three points as the initial provisions of a formula for railroad rate revision? Comment and criticism of all informed people—whether they represent shippers, receivers, carriers or regulators—will be welcomed. This is a family problem that ought to be solved amicably within the transportation family.

SACRAMENTO TOWER BRIDGE is operated by the Sacramento Northern Railroad which is owned by the Western Pacific Railroad Company. An average of 28,000 vehicles and 14 trains cross the structure in every 24-hour period. Okocord cables extending up H-shaped towers provide electric power for the drive motors that lift the 205-foot center section to permit passage of commercial and pleasure craft on river below.



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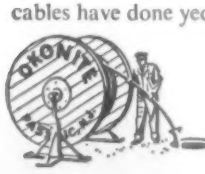

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